DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

NEAL SMITH, Iowa, *Chairman*

BILL ALEXANDER, Arkansas
JOSEPH D. EARLY, Massachusetts
BERNARD J. DWYER, New Jersey
BOB CARR, Michigan
EDWARD P. BOLAND, Massachusetts
GEORGE M. O'BRIEN, Illinois
RALPH REGULA, Ohio
HAROLD ROGERS, Kentucky

JOHN G. OSTHAUS and TERRY D. BEVELS, *Staff Assistants*

PART 6

DEPARTMENT OF JUSTICE

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

59-584 O WASHINGTON : 1986

H181-29

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

EDWARD P. BOLAND, Massachusetts
WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
JOSEPH P. ADDABBO, New York
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL CHAPPELL, JR., Florida
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
BILL BONER, Tennessee
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
JACK F. KEMP, New York
RALPH REGULA, Ohio
GEORGE M. O'BRIEN, Illinois
VIRGINIA SMITH, Nebraska
ELDON RUDD, Arizona
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
TOM LOEFFLER, Texas
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1987

TUESDAY, MARCH 4, 1986.

DEPARTMENT OF JUSTICE

ATTORNEY GENERAL

WITNESSES

EDWIN MEESE III, ATTORNEY GENERAL

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. SMITH. This morning we begin our hearings with the Department of Justice for Fiscal Year 1987. The 1987 budget is for $4,204,705,000, and this is an increase of $396,950,000 above the level for 1986 after its adjustment for the sequestration. We will insert the FY 1987 Budget Summary for the Department in the record at this point.

[The information follows:]

U.S. Department of Justice
Justice Management Division

FY 1987
Budget Summary

Prepared by:
Budget Staff
Office of the Comptroller
January 1986

DEPARTMENT OF JUSTICE

Table of Contents

Item	Page
Summary of Budget Authority by Appropriation, 1985 - 1987	1
Reconciliation to 1986 and 1987 Budget Authority	2
Effect of the Balanced Budget and Emergency Deficit Control Act of 1985	3
Summary of 1987 Appropriation Language Changes	4
1987 Estimates Compared with 1985 and 1986 Requirements	6
1987 Summary of Requirements	8
General Administration	10
U.S. Parole Commission	13
General Legal Activities	14
Antitrust Division	21
Foreign Claims Settlement Commission	22
Oversight of Bankruptcy Cases	23
U.S. Marshals Service	26
Support of U.S. Prisoners	28
Fees and Expenses of Witnesses	29
Community Relations Service	30
Assets Forfeiture Fund	31
Organized Crime Drug Enforcement	32
Federal Bureau of Investigation	33
Drug Enforcement Administration	36
Immigration and Naturalization Service	39
Federal Prison System	41
Salaries and Expenses	42
National Institute of Corrections	44
Buildings and Facilities	45
Federal Prison Industries, Incorporated	46
Office of Justice Programs	47
Crime Victims Fund	49

DEPARTMENT OF JUSTICE

Summary of Budget Authority by Appropriation
(In thousands of dollars)

Appropriation	Fiscal Year 1985	1986	1987
General Administration	$72,052	$70,800	$73,708
U.S. Parole Commission	9,173	9,800	10,420
Legal Activities:			
General Legal Activities	197,575	205,000	584,099
Antitrust Division	43,119	44,500	50,009
Foreign Claims Settlement Commission	929	700	596
U.S. Attorneys and Marshals	455,675	...	...
U.S. Attorneys and Trustees	...	332,000	...
Oversight of Bankruptcy Cases	...	...	11,663
U.S. Marshals Service	...	150,000	176,759
Support of U.S. Prisoners	57,921	57,000	58,180
Fees and Expenses of Witnesses	42,591	47,400	34,676
Community Relations Service	33,092	29,900	32,009
Assets Forfeiture Fund**	5,000	30,000	35,000
Total, Legal Activities	835,902	886,500	982,991
Organized Crime Drug Enforcement	2,178	1,000	...
Federal Bureau of Investigation	1,160,388	1,209,000	1,278,410
Drug Enforcement Administration	353,794	380,000	411,329
Immigration and Naturalization Service	585,034	593,800	609,393
Federal Prison System:			
Salaries and Expenses	522,932	567,520	598,807
National Institute of Corrections	14,000	11,000	9,495
Buildings and Facilities	86,043	46,063	159,152
Total, Federal Prison System	622,975	624,583	767,454
Office of Justice Programs	145,551	76,146	74,400
TOTAL, DEPARTMENT OF JUSTICE	3,787,044	3,861,629	4,208,105

**Throughout this document, extraordinary expenses for the Assets Forfeiture Fund are shown as budget authority, in order to be comparable to previous handling of these expenses. In actual fact, the amounts shown are an obligation limitation and should not be included as budget authority.

DEPARTMENT OF JUSTICE

Reconciliation to 1986 and 1987 Budget Authority
(Dollars in thousands)

Appropriation Committee Jurisdiction	1986 Perm Pos.	1986 Amount	1987 Perm Pos.	1987 Amount
Appropriation Enacted, 1986	63,322	$3,958,845	...	...
Proposed changes to enacted level:				
Supplemental for Federal Prison System, "Salaries and expenses"	...	10,620	...	...
Rescission for Office of Justice Programs.	-10	-122,109	...	...
Sequestrations in lieu of rescissions (automatic)	...	-5,727	...	...
Appropriation request (current)	63,312	3,841,629	64,347	$4,179,705
Adjustment for management expenses of Assets Forfeiture Fund	...	20,000	...	25,000
Transfer proposed for later transmittal (Interstate Commerce Commission to Antitrust Division)	...	...	68	3,400
Budget Summary total	63,312	3,861,629	64,415	4,208,105
Sequestrations not included above	...	-164,503	...	...
Unobligated balance rescissions:				
National Institute of Corrections	...	-3,315	...	...
Office of Justice Programs	...	-12,557	...	...
Total, Appropriation Committee Jurisdiction	63,312	3,681,254	64,415	4,208,105
Judiciary Committee Jurisdiction				
Crime Victims Fund:				
Limitation of Obligations	...	64,917	...	35,000
Unused budget authority	...	35,083	...	65,000
Budget authority	...	100,000	...	100,000
Sequestration for above funds	...	-5,160	...	...
Offset to rescission of unobligated balances	...	15,872	...	...
Budget authority	...	3,791,966	...	4,308,105

DEPARTMENT OF JUSTICE
Effect of Balanced Budget and Emergency Deficit Control Act of 1985

	1986 Approp. Antic.	Sequestrations	Revised 1986 Amount
General Administration	$70,800	-$3,044	$67,756
U.S. Parole Commission	9,800	-421	9,379
General Legal Activities	205,000	-8,815	196,185
Antitrust Division	44,500	-1,914	42,586
Foreign Claims Settlement Commission	700	-30	670
U.S. Attorneys and Trustees	332,000	-14,276	317,724
U.S. Marshals Service	150,000	-6,450	143,550
Support of U.S. Prisoners	57,000	-2,451	54,549
Fees and Expenses of Witnesses	47,400	-2,038	45,362
Community Relations Service	29,900	-1,286	28,614
Assets Forfeiture Fund	30,000	-1,290	28,710
Organized Crime Drug Enforcement	1,000	-43	957
Federal Bureau of Investigation	1,209,000	-52,494	1,156,506
Drug Enforcement Administration	380,000	-16,340	363,660
Immigration and Naturalization Service	593,800	-25,533	568,267
Federal Prison System:			
Salaries and Expenses	567,520	-23,947	543,573
National Institute of Corrections	11,000	-473	10,527
Buildings and Facilities	46,063	-1,981	44,082
Total Federal Prison System	624,583	-26,401	598,182
Office of Justice Programs	76,146	-8,771	67,375
TOTAL, DEPARTMENT OF JUSTICE	3,861,629	-171,597	3,690,032

DEPARTMENT OF JUSTICE

APPROPRIATION LANGUAGE CHANGES

General Legal Activities. In 1985 and 1986 Congress approved language making $6,000,000 for litigation support contracts available for two fiscal years. The current request provides that an identical amount remain available until September 30, 1988, again for two fiscal years. This language is requested to protect the availability of funding associated with major litigation support contracts that require considerable time to negotiate.

New language is provided authorizing $10,000,000 for the Department's legal activities, including the U.S. Attorneys and Antitrust Division, for the purposes of developing modern office automation systems. The funds would be available until expended.

Antitrust Division. Language is proposed for separate transmittal that will request $3,400,000 to fund functions designated for transfer from the Interstate Commerce Commission.

Oversight of Bankruptcy Cases (U.S. Trustees). Language changes are to establish a separate appropriation for the United States Trustees.

U.S. Marshals. New language is presented for the proposed transfer of the Protection of Witnesses program to the U.S. Marshals Service. The language provides for the expenses of protected witness safesites.

Support of U.S. Prisoners. Language is included reducing the amount available for the Cooperative Agreement Program (CAP) from $5 million to $4 million.

Fees and Expenses of Witnesses. The safesite language has been transferred to the U.S. Marshals Service as discussed previously.

Also deleted is language that provides financial protection to the estate of victims killed by persons who had recently left the protected witness program. Permanent language is provided by the Comprehensive Crime Control Act of 1984.

Organized Crime Drug Enforcement. Language for this appropriation is deleted since the President's Commission on Organized Crime is scheduled to terminate on April 1, 1986, unless otherwise extended.

Federal Bureau of Investigation. The number of passenger motor vehicles that may be purchased for police-type use without regard to the general purchase price limitation for the current fiscal year is decreased from 1,640 to 1,579.

The carryover of automated data processing funds is decreased from $25 million to $10 million.

The provision whereby funds were authorized for payments for expenses of State and local law enforcement agencies engaged in cooperative activities related to terrorism has been deleted.

The limitation on fees collected for the processing of fingerprint identification records and credited to the appropriation are increased from $13,500,000 to $15,500,000.

New language is requested that will enable the Director to establish and collect fees for training provided to State and local law enforcement officers at the FBI Academy.

Drug Enforcement Administration. The number of passenger motor vehicles that may be purchased for police-type use without regard to the general purchase price limitation decreases from 752 to 575.

Language is also requested that provides for the collection of fees to provide training to State and local law enforcement officers at the FBI Academy.

Immigration and Naturalization Service. Language is deleted for uniform allowances. The Department's authorization bill will propose specific uniform allowances for specific categories of employment.

The prohibition on the closing of the North Regional Office at Fort Snelling, Minnesota is deleted.

Federal Prison System. The number of law enforcement and passenger motor vehicles which may be purchased for replacement only is decreased from 94 to 30.

Uniform allowance language is deleted because more specific language will be proposed in the Department's authorization bill.

Funding and language requested for the one time project to provide facilities for the incarceration of illegal alien felons are deleted.

Office of Justice Programs

The 1987 request proposes the termination of the Juvenile Justice and the Mariel Cubans programs. Related language is deleted.

DEPARTMENT OF JUSTICE

1987 Estimates Compared with 1985 and 1986 Requirements
(Dollars in thousands)

Appropriation	1985 Actual Perm. Pos.	1985 Actual FTE	1985 Actual Obligations
General Administration	983	1,058	$71,695
U.S. Parole Commission	175	165	8,824
Legal Activities:			
General Legal Activities[1]	3,083	3,086	195,693
Antitrust Division	649	631	42,765
Foreign Claims Settlement Commission	18	12	636
U.S. Attorneys and Marshals	8,469	7,662	449,338
Oversight of Bankruptcy Cases	...	...	...
U.S. Marshals	...	...	...
Support of U.S. Prisoners	...	...	58,140
Fees and Expenses of Witnesses	...	...	40,713
Community Relations Service	118	118	40,733
Assets Forfeiture Fund	...	...	2,399
Total, Legal Activities	12,337	11,509	830,417
Organized Crime Drug Enforcement	20	24	8,166
Federal Bureau of Investigation	21,037	20,385	1,188,170
Drug Enforcement Administration	4,906	4,373	344,012
Immigration and Naturalization Service	11,649	11,266	580,015
Federal Prison System:			
Salaries and Expenses	10,441	9,536	522,069
National Institute of Corrections	41	44	15,434
Buildings and Facilities	75	53	58,676
Total, Federal Prison System	10,557	9,633	596,179
Office of Justice Programs	334	297	182,676
TOTAL, DEPARTMENT OF JUSTICE	61,998	58,710	3,810,154
Limitation:			
Federal Prison Industries, Inc.	126	124	8,292
Reimbursable FTE Workyears		- 2,025	

[1]FTE related to the EPA allocation to Lands Division includes 65 for 1985 and 87 for 1986 and 1987.

1986 Estimate			1987 Estimate			Increase or Decrease 1987 from 1986		
Perm. Pos.	FTE	Approp. Anticipated	Perm. Pos.	FTE	Amount	Perm. Pos.	FTE	Amount
1,032	1,094	$70,800	1,021	1,099	$73,708	-11	5	$2,908
175	176	9,800	175	176	10,420	...	...	620
3,097	3,213	205,000	9,061	9,049	584,099	5,964	5,836	379,099
649	631	44,500	717	699	50,009	68	68	5,509
16	16	700	9	9	596	-7	-7	-104
...	...	...	...	...	...	...	...	...
6,002	5,657	332,000	193	181	11,663	-5,809	-5,476	-320,337
2,624	2,707	150,000	2,724	2,794	176,759	100	87	26,759
...	...	57,000	...	...	58,180	...	...	1,180
...	...	47,400	...	...	34,676	...	...	-12,724
118	115	29,900	118	115	32,009	...	...	2,109
...	...	30,000	...	...	35,000	...	...	5,000
12,506	12,339	896,500	12,822	12,847	982,991	-316	508	86,491
20	10	1,000	...	...	...	-20	-10	-1,000
21,692	21,014	1,209,000	22,430	21,803	1,278,410	738	789	69,410
4,895	4,753	380,000	5,051	4,834	411,329	156	81	31,329
11,694	11,767	593,800	11,694	11,761	609,393	...	-6	15,593
10,876	10,585	567,520	10,857	10,615	598,807	-19	30	31,287
41	41	11,000	41	41	9,495	...	...	-1,505
57	52	46,063	70	65	159,152	13	13	113,089
10,974	10,678	624,583	10,968	10,721	767,454	-6	43	142,871
324	332	76,146	254	268	74,400	-70	-64	-1,746
63,312	62,163	3,861,629	64,415	63,509	4,208,105	1,103	1,346	346,476
126	111	9,120	126	121	9,365	...	10	245
	1,982			2,153			171	

Organized Crime Drug Enforcement		Federal Bureau of Investigation		Drug Enforcement Administration		Immigration & Naturalization Service		Federal Prison System		Office of Justice Programs		Total	
Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
20	$8,166	21,037	$1,188,170	4,906	$344,012	11,649	$580,015	10,557	$596,179	334	$182,676	61,998	$3,810,154
20	1,000	21,692	1,209,000	4,895	380,000	11,694	593,800	10,974	613,963	334	203,982	63,322	3,958,845
...	...	...	...	...	...	...	...	...	10,620	...	...	...	10,620
...	...	...	...	...	...	...	...	...	...	-10	-127,836	-10	-127,836
...	...	...	...	...	...	...	...	...	...	...	...	...	20,000
20	1,000	21,692	1,209,000	4,895	380,000	11,694	593,800	10,974	624,583	324	76,146	63,312	3,861,629
...	...	22,830	1,278,410	5,051	411,329	11,694	609,393	10,968	767,454	254	78,400	64,415	4,208,105
-20	-1,000	738	69,410	156	31,329	...	15,593	-6	142,871	-70	-1,746	1,103	346,476
...	...	-38	-948	...	-500	...	-482	-50	-780	...	...	-119	-4,238
...	...	...	...	...	...	...	...	...	...	...	...	68	3,400
...	...	...	8,396	...	550	...	969	...	4,496	...	...	...	31,512
...	...	...	6,601	...	1,713	...	3,174	...	2,912	...	146	...	17,784
...	...	...	500	...	64	...	364	...	450	...	...	...	1,721
...	...	...	999	...	304	...	649	...	812	...	122	...	3,803
...	...	...	7,985	...	2,446	...	4,051	...	966	...	702	...	32,722
...	...	...	360	...	209	...	200	...	12	...	8	...	939
...	...	...	518	...	117	...	441	...	117	...	48	...	1,609
...	...	...	...	...	134	...	162	...	73	...	80	...	1,726
...	...	...	...	...	...	...	25	...	2	...	11	...	177
...	...	...	82	...	19	...	221	...	13	...	31	...	552
...	...	...	15,532	...	2,848	...	3,998	...	13,805	...	69	...	43,996
...	...	...	1,000	...	5,841	...	1,773	...	...	...	2,101	14	22,181
...	...	...	41,973	...	14,245	...	16,027	...	23,658	...	3,318	14	152,322
-20	-1,000	...	-57,008	...	-7,628	...	-952	-12	-37,240	...	-12	-32	-118,691
-20	-1,000	-38	-15,983	...	6,117	...	14,593	-62	-16,182	...	3,306	-69	38,723
...	...	21,654	1,193,017	4,895	386,117	11,694	608,393	10,912	608,401	324	79,452	63,243	3,900,422
...	...	776	85,393	156	10,531	...	...	31	23,115	-70	-2,688	1,147	143,151
...	...	...	...	...	...	...	...	25	138,092	...	...	25	138,092
...	...	...	...	...	-2,700	...	...	...	-708	...	-2,364	...	-5,772
...	...	...	...	...	17,381	...	1,000	...	-1,446	...	...	...	32,212
...	...	776	85,393	156	25,212	...	1,000	56	159,053	-70	-5,052	1,172	307,683
...	...	22,430	1,278,410	5,051	411,329	11,694	609,393	10,968	767,454	254	78,400	64,415	4,208,105
-20	-1,000	738	69,410	156	31,329	...	15,593	-6	142,871	-70	-1,746	1,103	346,476

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

Analysis of a Increase of $2,908,000
(Dollars in thousands)

	PROGRAM DIRECTION AND POLICY COORDINATION							
	Department Leadership [a]		Executive Support [b]		Intelligence Policy & Professional Responsibility [c]		Justice Management	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1985 obligations	56	$5,084	71	$5,139	22	$1,601	568	$35,385
1986 as enacted	56	5,082	71	5,344	22	1,508	585	42,907
1987 estimate	56	5,379	71	5,545	22	1,572	574	43,614
Change 1987 from 1986	...	297	...	201	...	64	-11	707
Summary of Changes								
Adjustments to base								
Savings resulting from management initiatives	...	...	...	...	...	...	-21	-635
Uncontrollable increases:								
Annualization of additional positions approved in 1986	...	...	...	...	...	...	...	...
Within-grade increase	...	27	...	32	...	11	...	222
Health benefits costs	...	2	...	3	...	...	...	23
GSA rent	...	199	...	284	...	47	...	669
GSA recurring reimbursable services	...	...	...	...	...	...	...	15
Postal service increases	...	2	...	1	...	...	...	11
Telephone system line charges	...	24	...	53	...	6	...	120
Department printing and reproduction costs	...	5	...	2	...	...	...	8
GPO printing costs	...	1	...	...	...	...	...	4
General pricing level adjustment	...	45	...	35	...	4	...	571
Total, uncontrollable increases	...	305	...	370	...	68	...	1,643
Decreases:								
Rate decrease for FTS	...	-8	...	-7	...	-4	...	-28
Nonrecurring relocation costs	...	...	...	-162	...	...	...	-2,371
Nonrecurring equipment and contracts	...	...	...	...	...	...	...	-2,396
Total, decreases	...	-8	...	-169	...	-4	...	-4,795
Total, adjustments to base	...	297	...	201	...	64	-21	-3,787
Program changes	...	...	...	...	...	...	10	4,494
Change 1987 from 1986	...	297	...	201	...	64	-11	707

[a] Includes the Offices of Attorney General, Deputy Attorney General and Associate Attorney General.

[b] Includes the Offices of Legal Policy, Public Affairs and Legislative and Intergovernmental Affairs.

[c] Includes the Offices of Intelligence Policy and Review and Professional Responsibility.

[d] Includes the Executive Office for Immigration Review and the Office of the Pardon Attorney.

ADMINISTRATIVE REVIEW AND APPEALS d		FEDERAL JUSTICE RESEARCH PROGRAM		STATE AND LOCAL DRUG GRANTS		Total	
Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
266	$14,523	...	$123	...	$9,840	983	$71,695
298	15,959	...	...	...	...	1,032	70,800
298	17,598	...	...	...	...	1,021	73,708
...	1,639	...	...	...	...	-11	2,908
...	...	...	...	...	...	-21	-635
...	895	...	...	...	...	...	895
...	85	...	...	...	...	...	377
...	10	...	...	...	...	...	38
...	462	...	...	...	...	...	1,621
...	...	...	...	...	...	...	15
...	3	...	...	...	...	...	17
...	3	...	...	...	...	...	18
...	1	...	...	...	...	...	204
...	1	...	...	...	...	...	6
...	180	...	...	...	...	...	835
...	1,640	...	...	...	...	...	4,026
...	-1	...	...	...	...	...	-48
...	...	...	...	...	...	...	-2,533
...	...	...	...	...	...	...	-2,396
...	-1	...	...	...	...	...	-4,977
...	1,639	...	...	...	...	-21	-1,586
...	...	...	...	...	...	10	4,494
...	1,639	...	...	...	...	-11	2,908

GENERAL ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	983	$71,695
1986 as enacted	1,032	70,800
Savings resulting from management initiatives	-21	-635
Uncontrollable increases (see p. 10)	...	4,026
Decreases (see p. 10)	...	-4,977
1987 base	1,011	69,214
Program changes (detailed below)	10	4,494
1987 estimate	1,021	73,708

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Program direction and policy coordination:						
a. Department Leadership	56	$5,379	56	$5,379	...	...
b. Executive Support	71	5,545	71	5,545	...	...
c. Intelligence Policy and Professional Responsibility	22	1,572	22	1,572	...	...
d. Justice Management	564	39,120	574	43,614	10	$4,494
Subtotal	713	51,616	723	56,110	10	4,494
2. Administrative Review and Appeals	298	17,598	298	17,598	...	...
Total	1,011	69,214	1,021	73,708	10	4,494

Program changes	Perm. Pos.	Amount
Justice Management Division	10	$4,494

A program increase of 10 positions and $4,494,000 of which 10 positions and $3,994,000 is for the Financial and Administrative Management Information System (FAMIS); and $500,000 for the Case Management System. FAMIS is the integration of four separate departmental systems into a single data base, specifically, accounting, budgetary, property management and procurement.

U.S. PAROLE COMMISSION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	175	$8,824
1986 as enacted	175	9,800
Uncontrollable increases (see p. 8)	...	649
Decreases:		
Federal Telecommunications System	...	-11
Nonrecurring equipment cost	...	-18
1987 base	175	10,420
Program changes	...	...
1987 estimate	175	10,420

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. U.S. Parole Commission: Parole	175	$10,420	175	$10,420	...	...

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Analysis of an Increase of $379,099,000
(Dollars in thousands)

	Solicitor General		Tax Division		Criminal Division		Civil Division	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1985 obligations	45	$3,638	634	$32,750	756	$42,373	832	$67,888
1986 as enacted	45	3,733	634	34,470	756	44,732	832	71,529
1986 program supplemental requested	...	...	...	...	...	...	...	...
1986 rescission proposal	...	...	...	...	...	...	...	...
1986 appropriation anticipated	45	3,733	634	34,470	756	44,732	832	71,529
1987 estimate	49	3,937	639	35,102	769	47,147	904	80,102
Change 1987 from 1986	4	204	5	632	13	2,415	72	8,573
Summary of Changes								
Adjustments to base and built in changes								
Savings resulting from management initiatives	...	...	...	-69	...	-152	...	...
Transfer of U. S. Attorneys	...	...	...	...	...	...	...	...
Uncontrollable increases:								
Within-grade increases	...	17	...	248	...	295	...	325
Health benefits costs	...	...	...	23	...	29	...	24
Federal Employees' Compensation Act (FECA) -								
Workers' Compensation	...	...	...	...	...	...	...	...
GSA rent	...	121	...	276	...	1,697	...	1,646
GSA recurring reimbursable services	...	1	...	8	...	13	...	8
Postal service increases	...	1	...	10	...	17	...	19
Telephone system line charges	...	14	...	122	...	137	...	180
Depa/tmental printing and reproduction costs	...	9	...	3	...	4	...	28
G/O printing costs	...	26	...	...	...	18	...	2
General pricing level adjustment	...	9	...	136	...	178	...	936
Private Counsel	...	...	...	...	...	...	...	10
Foreign Counsel	...	...	...	...	...	...	...	21
Foreign allowances	...	...	...	...	...	...	...	4
Annualization of 1986 relocation amendment	...	8	...	...	...	83	...	727
Other	4	...	...	...	...	...	...	...
Total, uncontrollable increases	4	206	...	826	...	2,483	...	3,930
Decreases:								
Federal Telecommunications System (FTS)	...	-2	...	-44	...	-58	...	87
Relocation amendment	...	...	...	-84	...	...	...	-983
Equipment	...	...	...	...	...	...	...	-42
Total, decreases	...	-2	...	-128	...	-58	...	-1,112
Total, adjustments to base	...	204	...	629	...	2,253	...	2,818
Program changes	...	...	5	3	13	162	72	5,755
Change 1987 from 1986	4	204	5	632	13	2,415	72	8,573

*Includes $40,000 in obligation for Office of the Special Prosecutor.
( ) indicate items which are not added to the totals.

Land and Natural Resources Division		Office of Legal Counsel		Civil Rights Division		INTERPOL		Legal Activities Office Automation		U.S. Attorneys		Total	
Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
347	$22,150	35	$1,856	404	$22,619	30	$2,376	...	...	...	...	3,083	$195,693
347	22,552	35	2,260	404	22,810	44	2,914	...	...	...	...	3,097	205,000
...	...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...
347	22,552	35	2,260	404	22,810	44	2,914	...	...	...	...	3,097	205,000
349	24,345	35	2,366	404	24,141	44	3,141	...	$10,000	5,868	353,818	9,061	584,099
2	1,793	...	106	...	1,331	...	227	...	10,000	5,868	353,818	5,964	379,099
-4	-36	...	...	...	...	...	...	...	...	...	...	-4	-257
...	...	...	...	...	...	...	...	...	...	5,833	349,629	5,833	349,629
...	136	...	13	...	157	...	17	...	...	...	(477)	...	1,208
...	31	...	2	...	10	...	...	...	...	...	(103)	...	119
...	...	...	...	...	...	...	...	...	...	...	(99)	...	...
...	1,151	...	61	...	901	...	144	...	...	...	(1,720)	...	5,997
...	5	...	1	...	5	...	...	...	...	...	(58)	...	41
...	10	...	...	...	7	...	...	...	...	...	(155)	...	64
...	99	...	9	...	110	...	16	...	...	...	(203)	...	687
...	4	...	1	...	9	...	1	...	...	...	(52)	...	59
...	5	...	2	...	2	...	1	...	...	...	(102)	...	48
...	189	...	12	...	99	...	81	...	...	...	(2,383)	...	1,596
...	...	...	...	...	...	...	...	...	...	...	...	...	10
...	...	...	...	...	...	...	...	...	...	...	...	...	21
...	...	...	...	...	...	...	...	...	...	...	(7,550)	...	4
...	415	...	7	...	60	...	7	...	...	(10)	(15,436) (176)	4	...
...	2,045	...	108	...	1,356	...	227	...	...	(10)	28,514	4	11,161
...	-27	...	-2	...	-25	...	...	...	...	...	(-412)	...	-205
...	-337	...	...	...	...	...	...	...	...	...	(-275)	...	-1,404
...	...	...	...	...	...	...	...	...	...	...	...	...	-82
...	-364	...	-2	...	-25	...	...	...	...	...	(-687)	...	-1,691
-4	1,645	...	106	...	1,331	...	227	...	...	5,833	349,629	5,833	358,842
6	148	...	...	...	...	...	...	...	10,000	35	4,189	131	20,257
2	1,793	...	106	...	1,331	...	227	...	10,000	5,868	353,818	5,964	379,099

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	3,083	$195,693
1986 as enacted	3,097	205,000
Savings due to management initiatives	-4	-257
Transfer of the U.S. Attorneys	5,833	349,629
Uncontrollable increases (see p. 14)	4	11,161
Decreases (see p. 14)	...	-1,691
1987 base	8,930	563,842
Program changes (detailed below)	131	20,257
1987 estimate	9,061	584,099

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	$3,937	49	$3,937	...	...
2. General tax matters:						
Federal appellate activity	90	5,045	102	5,471	12	$426
Criminal tax prosecution	106	6,698	106	6,698	...	...
Civil tax litigation activity	331	18,312	319	17,652	-12	-660
Organized crime drug enforcement	9	715	14	952	5	237
Management and administration	98	4,329	98	4,329	...	...
Subtotal	634	35,099	639	35,102	5	3

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
3. Criminal matters:						
Federal appellate activity.....	29	$1,916	28	$1,874	-1	-$42
Organized crime prosecution....	240	15,187	249	15,438	9	251
Public integrity (corruption)..	35	2,304	34	2,262	-1	-42
Fraud.....	75	5,084	80	5,233	5	149
Narcotic and dangerous drug prosecution.....	31	1,951	35	2,082	4	131
Internal security.....	32	2,055	30	1,970	-2	-85
General litigation and legal advice.....	52	3,405	52	3,405	...	...
Office of special investigations.....	47	3,267	47	3,267	...	...
Prosecution support.....	120	6,270	125	6,317	5	47
Organized crime drug enforcement.....	6	616	6	616	...	...
Management and administration..	89	4,930	83	4,683	-6	-247
Subtotal.....	756	46,985	769	47,147	13	162
4. Claims, customs, and general civil matters:						
Federal appellate activity.....	64	4,347	64	4,347	...	...
Tort litigation.....	200	27,464	214	30,680	14	3,216
Commercial litigation.....	227	15,435	285	17,974	58	2,539
Federal programs.....	172	17,115	172	17,115	...	...
Consumer litigation.....	35	1,950	35	1,950	...	...
Immigration litigation.....	30	2,955	30	2,955	...	...
Management and administration..	104	5,081	104	5,081	...	...
Subtotal.....	832	74,347	904	80,102	72	5,755
5. Land, natural resources and Indian matters:						
Federal appellate activity.....	27	1,635	27	1,635	...	...
Land acquisition.....	39	2,651	34	2,426	-5	-225
Environmental protection.....	134	9,565	145	9,938	11	373
General litigation.....	110	7,852	110	7,852	...	...
Management and administration..	33	2,494	33	2,494	...	...
Subtotal.....	343	24,197	349	24,345	6	148
6. Legal opinions.....	35	2,366	35	2,366	...	...

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
7. Civil rights matters:						
Federal appellate activity.....	32	$1,903	32	$1,903	...	...
Civil rights prosecution.....	45	2,704	45	2,704	...	...
Special litigation.....	37	2,473	37	2,473	...	...
Voting.....	68	3,481	68	3,481	...	...
Employment litigation.....	63	3,687	63	3,687	...	...
Coordination and review.....	39	2,369	39	2,369	...	...
Housing and civil enforcement..	33	2,006	33	2,006	...	...
Educational opportunities.....	33	1,934	33	1,934	...	...
Management and administration..	54	3,584	54	3,584	...	...
Subtotal.....	404	24,141	404	24,141	...	...
8. INTERPOL.....	44	3,141	44	3,141	...	...
9. Legal Activity Office Automation.	...	...	...	10,000	...	$10,000
10. U.S. Attorneys:						
Criminal Litigation.....	3,136	188,922	3,152	191,367	16	2,445
Civil Litigation.....	2,005	111,879	2,024	113,623	19	1,744
Legal education.....	25	2,744	25	2,744	...	...
OCDE.....	519	29,960	519	29,960	...	...
Management and administration..	148	16,124	148	16,124	...	...
Subtotal.....	5,833	349,629	5,868	353,818	35	4,189
Total.....	8,930	563,842	9,061	584,099	131	20,257

Program changes	Perm. Pos.	Amount
General tax matters.....	5	$3

In 1987, the Tax Division is requesting an increase of 17 positions and $663,000 to address the increased workload in the appellate program and the OCDE program. These increases are being offset by a program curtailment in the civil tax litigation area of 12 positions and $660,000.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

Program changes	Perm. Pos.	Amount
Criminal matters	13	$162

In the Criminal Division, an increase of 28 positions and $844,000 is partially offset by program decreases of 15 positions and $682,000. The decreases include the termination of the Division's Honor Law Graduate Program; elimination of the summer employment program; reduction of regular mail transfers; elimination of some on-site inspections of Foreign Agents Registration Act (FARA) registrants; cessation of audits dealing with FARA registrants; curtailment of analytical assistance provided to policymakers outside the Criminal Division; and reduction of the level of involvement in the protected witness program. Program increases for the Organized Crime Strike Forces, Narcotics and Dangerous Drug Prosecutions, Fraud, and International Affairs are requested to allow the Division to extend its presence beyond the largest urban areas and traditional organized crime syndicates; address the growing narcotics workload; meet the demands of an expected increase in cases and investigative workload in the Defense Department Procurement Fraud area; and, to keep pace with the growing requirement to provide advice and consultation to domestic and foreign prosecutors and law enforcement officials and to coordinate the activities of the Department of Justice with respect to international law enforcement initiatives.

Claims, customs, and general civil matters	72	5,755

The Civil Division is requesting 72 positions and $5,755,000 of which 14 positions and $3,216,000 are for the Torts branch and 58 positions and $2,539,000 are for the Commerical Litigation program. In the Torts program increase, $2,541,000 is for automated litigation support and $675,000 is for personnel related increases. With these enhanced resources, Division attorneys will be able to handle the burgeoning caseload as a result of airline disasters, medical malpractice and employee negligence claims, atomic weapons contractor cases and asbestos cases. In the Commercial Litigation program increase, the Division is requesting resources to enable its attorneys to handle litigation arising out of the creation of the Claims Court and the Court of Appeals for the Federal Circuit, to protect the creditor rights of the United States in bankruptcy cases involving several utility cooperatives and to provide strong continuing support for the Administration's initiatives in the area of Defense procurement fraud.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

Program changes	Perm. Pos.	Amount
Land, natural resources and Indian matters	6	$148
For the Land and Natural Resources Division, the Department is requesting an increase of 11 positions and $373,000 for necessary defensive litigation in the environmental areas. The Division is proposing to offset this increase through savings of five positions and $225,000 from program curtailments in the Land Acquisition program.		
Legal activities office automation	...	10,000
An increase of $10,000,000 is requested to fund office automation projects for the Department's litigating components. Under this proposal, automation requirements will be centrally coordinated, developed and funded on a priority basis. A major investment in new technology by the litigating organizations is essential, because much of the current equipment is outdated, or soon will become obsolete. Furthermore, implementation of a joint office automation acquisition program will end proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among the litigating components. Moreover, this initiative will markedly expand the availability and use of automated legal research and litigation support. Joint planning and acquisition strategies will be developed by the Litigation Office Automation Steering Committee under the direction of the Deputy Attorney General.		
U.S. Attorneys	35	4,189
The U.S. Attorneys are requesting program increases for both the Criminal and Civil litigation programs. The request of 16 positions and $2,445,000 for the Criminal Litigation program will be used to enhance narcotics and dangerous drug litigation and reduce the lapse between authorized positions and funded workyears. The increase of 19 positions and $1,744,000 for the Civil Litigation program is for the defense of monetary claims litigation, and also to reduce the lapse between positions and funded workyears.		
Total program changes, General Legal Activities	121	20,257

DEPARTMENT OF JUSTICE
Summary of Requirements
Increase 1987 over 1986 Overall
Total Legal Activities
(Dollars in thousands)

	General Administration		U.S. Parole Commission		General Legal Activities		Antitrust Division		Foreign Claims Settlement Commission		Oversight of Bankruptcy Cases		U.S. Marshals		Support of U.S. Prisoners		Fees and Expenses of Witnesses		Community Relations Service		Assets Forfeiture Fund**		Total Legal Activities	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1985 obligations	983	$71,695	175	$8,824	3,083	$195,693	649	$42,765	18	$636	8,469	$449,138	...	...	...	$58,140	...	$40,713	118	$40,733	...	$2,399	12,337	$830,417
1986 as enacted	1,032	70,800	175	9,800	3,097	205,000	649	44,500	16	700	6,002	332,000	2,624	$150,000	...	57,000	...	47,400	118	29,900	...	10,000	12,506	876,500
1986 program supplemental	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1986 rescission proposal includes relat d sequestion	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	20,000	...	20,000
Scorekeeping adjustments in Assets Forfeiture Fund	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1986 appropriation anticipated	1,032	70,800	175	9,800	3,097	205,000	649	44,500	16	700	6,002	332,000	2,624	150,000	...	57,000	...	47,400	118	29,900	...	30,000	12,506	896,500
1987 estimate	1,021	73,708	175	10,420	9,061	584,099	717	50,009	9	596	193	11,663	2,724	176,759	...	58,180	...	34,676	118	32,009	...	35,000	12,822	982,991
Change 1987 from 1986	-11	2,908	...	620	5,964	379,099	68	5,509	-7	-104	-5,809	-320,337	100	26,759	...	1,180	...	-12,724	...	2,109	...	5,000	316	86,491
Adjustments to base and built-in changes																								
Savings resulting from management initiatives	-21	-635	...	...	-8	-257	...	...	...	...	...	-486	-6	-150	...	...	...	...	...	...	...	...	-10	-893
Net transfers proposed for later transmittal	...	...	...	...	5,833	349,529	68	3,400	...	...	-5,833	-349,629	...	14,891	...	...	...	-14,891	...	...	...	...	68	3,400
Uncontrollable increases:																								
Annualization of additional positions approved in 1986	...	895	...	...	...	...	...	...	...	...	...	15,547	...	659	...	...	...	...	...	...	...	...	...	16,206
Within-grade increases	...	377	...	52	...	1,208	...	264	...	5	...	544	...	730	...	...	...	...	...	48	...	...	...	2,799
Health benefits costs	...	38	...	2	...	119	...	18	...	1	...	115	...	49	...	...	...	...	...	1	...	...	...	383
Federal Employees' Compensation Act (FECA)-Workers Compensation	...	...	...	...	...	...	...	...	...	...	...	99	...	418	...	...	...	...	...	...	...	...	...	517
GSA Rent	...	1,621	...	452	...	5,997	...	1,548	...	118	...	3,216	...	3,385	...	...	...	393	...	...	...	...	...	14,499
GSA recurring reimbursable services	...	15	...	3	...	41	...	17	...	...	...	61	...	13	...	...	...	...	...	...	...	...	...	132
Postal services increases	...	17	...	12	...	64	...	17	...	...	...	153	...	92	...	...	...	3	...	...	...	...	...	339
Telephone system line charges	...	204	...	...	...	687	...	161	...	...	...	206	...	17	...	...	...	...	...	...	...	...	...	1,073
Departmental printing and reproduction costs	...	18	...	4	...	59	...	...	...	1	...	52	...	9	...	...	...	...	...	...	...	...	...	117
GPO printing costs	...	6	...	2	...	48	...	12	...	1	...	102	...	14	...	...	...	1	...	...	...	...	...	178
General pricing level adjustment	...	835	...	37	...	1,596	...	387	...	...	...	2,437	...	773	...	...	...	1,485	...	194	...	...	...	6,872
Other	...	...	...	76	8	1,382	...	92	...	...	10	7,777	...	...	...	2,180	...	...	...	...	...	...	18	11,791
Total, uncontrollable increases	...	4,026	...	649	4	11,161	...	2,516	...	118	10	30,321	...	6,055	...	2,180	...	1,485	...	590	...	...	14	54,426
Decreases	...	-4,977	...	-29	...	1,691	...	-407	...	-1	...	-721	...	-187	...	-5,000	...	...	...	-18	...	...	...	-8,025
Total, adjustments to base and built-in changes	-21	-1,586	...	620	5,833	358,842	68	5,509	...	117	-5,823	-320,515	-6	20,609	...	-2,820	...	-13,406	...	572	...	...	72	48,908
1987 base	1,011	69,214	175	10,420	8,930	563,842	717	50,009	16	817	179	11,485	2,618	170,609	...	58,180	...	33,994	118	30,472	...	30,000	12,578	945,408
Program changes																								
Staff and related expenses	10	436	...	...	131	20,257	...	...	-7	-221	14	178	106	6,150	...	...	...	...	...	...	...	...	244	26,364
Construction	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Grants	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3,000	...	662	...	1,537	...	6,000	...	11,219
Other changes	...	4,058	...	...	...	...	...	...	...	...	...	...	...	...	...	2,000	...	652	...	1,537	...	6,000	...	14,247
Total, program changes	10	4,494	...	...	131	20,257	...	...	-7	-221	14	178	106	6,150	...	5,000	...	1,314	...	3,074	...	12,000	244	37,585
1987 estimate	1,021	73,708	175	10,420	9,061	584,099	717	50,009	9	596	193	11,663	2,724	176,759	...	58,180	...	34,676	118	32,009	...	35,000	12,822	982,991
Change 1987 from 1986	-11	2,908	...	620	5,964	379,099	68	5,509	-7	-104	-5,809	-320,337	100	26,759	...	1,180	...	-12,724	...	2,109	...	5,000	316	86,491

**Amount reflect both the $10 million in extraordinary expenses as authorized by 28 U.S.C. 524 (c)(1)(7), (c)(1)(E) and (c)(1)(F) and an estimate of $20 million and $25 million respectively for management expenses in 1986 and 1987.

SALARIES AND EXPENSES, ANTITRUST DIVISION
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	649	$42,765
1986 as enacted	649	44,500
Transfer from Interstate Commerce Commission	68	3,400[1]/
Uncontrollable increases (see p. 8)	...	2,516
Decreases:		
Federal Telecommunications System	...	-39
Nonrecurring relocation costs	...	-368
1987 base	717	50,009

1/The Administration is proposing enactment of sunset legislation for the Interstate Commerce Commission which would complete deregulation of the motor carrier, freight forwarder and water carrier industries. Remaining rail-related activities would transfer to the Departments of Justice and Transportation.

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Enforcement of antitrust and kindred laws:						
Federal appellate activity	23	$1,317	23	$1,317	...	...
Termination and prevention of private cartel behavior	222	16,282	222	16,282	...	...
Preservation of competitive market structure	164	16,418	164	16,418	...	...
Policy analysis, legislation and training	92	5,328	92	5,328	...	...
Competition advocacy	127	6,401	127	6,401	...	...
Management and administration	89	4,263	89	4,263	...	...
Total	717	50,009	717	50,009	...	...

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	18	$636
1986 as enacted	16	700
Uncontrollable increases (see p. 8)	...	118
Decreases:		
Federal Telecommunications System	...	-1
1987 base	16	817
Program changes (detailed below)	-7	-221
1987 estimate	9	596

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Adjudication of international claims	16	$817	9	$596	-7	-$221

Program Changes	Perm. Pos.	Amount
Adjudication of International Claims	-7	-$221

This decrease is requested due to substantial completion of current and past programs involving claims of United States nationals for losses of property through confiscation, expropriation or other means in foreign countries. The Commission has compiled and evaluated claims against Yugoslavia, Panama, Poland, Bulgaria, Hungary, Rumania, Italy, the Soviet Union, Czechoslovakia, Cuba, China, East Germany, and Vietnam. Currently, the Commission is authorized to determine claims against the government of Ethiopia as a result of an agreement reached by the Department of State in December 1985.

SALARIES AND EXPENSES, OVERSIGHT OF BANKRUPTCY CASES
Analysis of a Decrease of $320,337,000
(Dollars in thousands)

	U.S. Attorneys		U.S. Trustees		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
1985 obligations**	...	...	...	...	8,469	$449,338
1986 as enacted	5,823	$321,802	179	$10,198	6,002	332,000
1987 base	...	...	179	11,485	179	11,485
1987 estimate	...	...	193	11,663	193	11,663
Change 1987 from 1986	-5,823	-321,802	14	1,465	-5,809	-320,337
Summary of Changes						
Adjustments to base						
Savings resulting from management initiatives	...	...	...	-486	...	-486
Transfer to General Legal Activities	-5,833	-349,629	...	...	-5,833	-349,629
Uncontrollable increases:						
Annualization of 544 pos. approved in 1985 & 1986	...	15,436	...	111	...	15,547
Annualization of D.C. Superior Court Relocation	...	2,065	...	...	...	2,065
Administrative salary increases	...	5,485	...	51	...	5,536
Within-grade increases	...	477	...	67	...	544
Health benefits	...	103	...	12	...	115
Federal Employees' Compensation Act (FECA)--Workers Compensation	...	99	...	...	...	99
GSA rent	...	1,720	...	1,496	...	3,216
GSA recurring reimbursable services	...	58	...	3	...	61
Postal service increases	...	155	...	8	...	163
Telephone system line charge	...	203	...	5	...	208
Departmental printing and reproduction costs	...	52	...	...	...	52
GPO printing costs	...	102	...	...	...	102
General pricing level adjustment	...	2,383	...	54	...	2,437
Annualization of 1986 relocation amendment	...	176	...	...	...	176
Adjustment to permit staffing of additional permanent positions	10	...	...	...	...	...
Total, uncontrollable increases	10	28,514	...	1,807	10	30,321
Decreases:						
Federal Telecommunications System (FTS)	...	-275	...	...	...	-275
Nonrecurring costs of new positions authorized in 1986	...	...	...	-24	...	24
Nonrecurring relocation costs	...	-412	...	-10	...	-422
Total, decreases	...	-687	...	-34	...	-721
Total adjustments to base	-5,823	-321,802	...	1,287	-5,823	-320,515
Program Changes	...	...	14	178	14	178
Changes 1987 from 1986	-5,823	-321,802	14	1,465	-5,809	-320,337

**Obligations are included for U.S. Attorneys, U.S. Trustees and U.S. Marshals at the total level.

SALARIES AND EXPENSES, OVERSIGHT OF BANKRUPTCY CASES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	8,469	$449,338
1986 as enacted	6,002	332,000
Savings resulting from management initiatives	...	-486
Transfer of the U.S. Attorneys to the General Legal Activities Appropriation	-5,833	-349,629
Uncontrollable increases (see p. 23)	10	30,321
Decreases (see p. 23)	...	-721
1987 base	179	11,485
Program changes (detailed below)	14	178
1987 estimate	193	11,663

Note: Prior to 1986 this appropriation was entitled U.S. Attorneys and Marshals and included the U.S. Attorneys, U.S. Marshals and U.S. Trustees. The U.S. Marshals Service was provided a separate appropriation beginning in 1986. The U.S. Attorneys will be included in the General Legal Activities Appropriations for 1987. The parent account is proposed to fund only the U.S. Trustees in 1987 under the new title "Oversight of Bankruptcy Cases.

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. U.S. Trustees:						
Administration of cases	159	$9,780	173	$9,958	14	$178
Management and Administration	20	1,705	20	1,705	...	...
Total	179	11,485	193	11,663	14	178

SALARIES AND EXPENSES, OVERSIGHT OF BANKRUPTCY CASES
(Dollars in thousands)

Program changes	Perm. Pos.	Amount
U.S. Trustees:		
Bankruptcy Matters	14	$178

A program decrease of 1 position, and $100,000 is requested for the Office of the Associate Counsel. This office will be abolished at the end of fiscal year 1986.

An increase of 15 positions and $278,000 is requested to extend the pilot U.S. Trustees program into the Sixth Circuit by opening new program offices in Cleveland and Detroit. The inclusion of the Sixth Circuit in the pilot program before a full nationwide expansion of the U.S. Trustees program is warranted. Detroit and Cleveland are perceived to be among the areas most likely to encounter transition problems in a nationwide expansion effort. Second, the distribution of offices in a nationwide program will follow circuit lines, and the absence of an existing U.S. Trustees office will impede the expansion effort. Third, the Department's administrative burden will entail higher cost if the expansion to these cities awaits the expansion to all non-pilot locations. By incorporating these cities into the pilot program prior to full nationwide expansion, valuable experience will be gained for the later, larger-scale effort.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1986 as enacted	2,624	$150,000
Savings resulting from management initiatives	-6	-150
Transfer of the Protected Witness Program from Fees and Expenses of Witnesses	...	14,891
Uncontrollable increases (see p. 8)	...	6,055
Decreases:		
Federal Telecommunications System	...	-187
1987 base	2,618	170,609
Program changes (detailed below)	106	6,150
1987 estimate	2,724	176,759

Note: 1985 obligations included in Oversight of Bankruptcy Cases.

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. U.S. Marshals:						
Witness security	301	$23,530	301	$23,530	...	...
Fugitive investigations and court orders	684	42,992	757	42,925	73	-$67
Judicial security	378	22,540	396	23,164	18	624
ADP and telecommunications	8	6,335	8	7,935	...	1,600
Field support and training	173	5,156	173	5,156	...	...
Handling of Federal prisoners	945	46,696	960	48,069	15	1,373
Organized Crime Drug Enforcement	13	732	13	732	...	...
Management and administration	116	7,737	116	7,737	...	...
Protection of witnesses	...	14,891	...	17,511	...	2,620
Total	2,618	170,609	2,724	176,759	106	6,150

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE
(Dollars in thousands)

Program changes	Perm. Pos.	Amount
U.S. Marshals Service:		
Fugitive investigations and court orders.....	73	-$67
This program change represents increases of 43 positions and $1,643,000 for Organized Crime Drug Enforcement-related warrants investigations, 30 positions and $840,000 for the service of government process related to the debt collection initiative and $300,000 for the cost of international extraditions. Also, a program decrease of $2,850,000 represents the funding previously appropriated for management costs of seized assets which will now be funded by the Assets Forfeiture Fund.		
Judicial security.....	18	624
A program increase of 12 positions and $457,000 will provide resources for increased security which is needed at OCDE trials and 6 positions and $167,000 will provide for an intelligence analysis capability especially for organized crime activity by the Threat Analysis Group.		
ADP and telecommunications.....	...	1,600
This program increase will allow for the purchase of 400 voice privacy radios needed for secure communications between U.S. Marshals Service personnel as well as with other Department law enforcement organizations.		
Handling of Federal prisoners.....	15	1,373
An increase of 15 positions and $573,000 is needed to handle additional prisoner movements that result from OCDE trials. Also, a funding increase of $800,000 will support the operation and maintenance of a jet aircraft for national prisoner movements.		
Protection of witnesses.....	...	2,620
A funding increase of $1,820,000 is for travel and other expenses related to child visitations mandated by the Comprehensive Crime Control Act of 1984. Also, a funding increase of $800,000 is needed to build and operate two additional safesites.		
Total program changes, U.S. Marshals Service.....	106	6,150

SUPPORT OF U.S. PRISONERS
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	...	$58,140
1986 as enacted	...	57,000
Uncontrollable increases (see p. 8)	...	2,180
Decreases:		
Nonrecurring decrease for the Cooperative Agreement Program (CAP)	...	-5,000
1987 base	...	54,180
Program changes (detailed below)	...	4,000
1987 estimate	...	58,180

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Care of U.S. prisoners in non-Federal institutions	...	$54,180	...	$54,180	...	...
2. Cooperative agreement program.	...	...	...	4,000	...	$4,000
Total	...	54,180	...	58,180	...	4,000

Program changes	Pos.	Amount
Cooperative agreement program	...	$4,000

This request will enable selected State and local governments to renovate, construct, and equip correctional facilities in exchange for the guarantee of additional beds in the future. The program increase is requested to fund CAP agreements which will guarantee approximately 230 beds.

59-584 O—86——2

FEES AND EXPENSES OF WITNESSES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	...	$40,713
1986 as enacted	...	47,400
Transfer of the Protected Witness program to the U.S. Marshals Service	...	-14,891
Uncontrollable increases (see p. 8)	...	1,485
1987 base	...	33,994
Program changes (detailed below)	...	682
1987 estimate	...	34,676

	1987 Base		1987 Estimate		Inc./Dec.	
Comparison by activity	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Fact witnesses	...	$17,418	...	$17,418	...	...
2. Expert witnesses	...	15,700	...	16,382	...	$682
3. Mental competency examinations	...	301	...	301	...	...
4. Victim Compensation Fund	...	575	...	575	...	...
Total	...	33,994	...	34,676	...	682

Program changes	Perm. Pos.	Amount
Expert witnesses	...	$682

A program increase of $682,000 is requested to cover increased costs associated with the greater use of expert witnesses to prepare and present testimony in support of the litigative position of the Government The cost of employing expert witnesses has risen steadily in recent years due to the increased complexity of the Department's caseload and the need to counter the testimony of expert witnesses testifying for the opposing litigant.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	118	$40,733
1986 as enacted	118	29,900
Uncontrollable increases (see p. 8)	...	590
Decreases:		
Federal Telecommunications System	...	-18
1987 base	118	30,472
Program changes (detailed below)	...	1,537
1987 estimate	118	32,009

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Prevention and conciliation of community disputes:						
Technical assistance	6	$421	6	$421	...	...
Program operations	63	5,278	63	5,278	...	...
Executive direction	13	1,126	13	1,126	...	...
Administrative services	6	355	6	355	...	...
2. Reception, processing and care of Cubans and Haitians	30	23,292	30	24,829	...	$1,537
Total	118	30,472	118	32,009	...	1,537

Program Changes	Perm. Pos.	Amount
Reception, processing and care of Cubans and Haitians	...	$1,537

This increase is necessary to enable the Community Relations Service to accommodate increased outplacement requirements from the Atlanta Federal Penitentiary and increased requirements for mental health care for mentally disabled Cuban entrants in Federal custody. Projected workload is higher than previously anticipated due to (1) the termination of the repatriation agreement with the Government of Cuba which would have removed 2,746 Cuban entrants from State and Federal prisons, and (2) the high rate of parole revocation for Cuban entrants. Due to the cut of over $3 million from the 1986 budget request and the unanticipated workload in 1986, all available carryover funding will be exhausted by 1987.

ASSETS FORFEITURE FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	...	$2,399
1986 estimated obligations	...	30,000
1987 base	...	30,000
Program changes (detailed below)	...	5,000
1987 estimate	...	35,000

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Assets Forfeiture Fund:						
Extraordinary expenses	...	$10,000	...	$10,000	...	...
Management expenses	...	20,000	...	25,000	...	$5,000
Total	...	30,000	...	35,000	...	5,000

Program Changes	Perm. Pos.	Amount
Management expenses	...	$5,000

Management expenses are expected to total $20,000,000 in 1986. For 1987, management expenses are estimated to be $25,000,000. An increase of $5,000,000 is needed to provide for the ongoing management of the increased volume and value of seized assets as allowed by appropriation language providing such sums as may be necessary for these expenses.

The appropriation language requests such sums as may be necessary for the Fund, but includes a provision allowing not to exceed $10,000,000 for expenses authorized by subsections (c)(1)(B), (c)(1)(E) and (c)(1)(F) of 28 U.S.C. 524. These sections permit expenditures from the Fund for the purchase of evidence, the retrofitting of seized conveyances and the payment of awards.

ORGANIZED CRIME DRUG ENFORCEMENT
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	20	$8,166
1986 as enacted	20	1,000
Decreases	-20	-1,000[a]
1987 base	...	...

[a]All resources associated with the Organized Crime Drug Enforcement program (except those related to the President's Commission on Organized Crime (PCOC)) were transferred to participating Justice agencies in 1985. No resources are requested for PCOC in 1987 because under Executive Order 12507, the Commission will terminate on April 1, 1986.

FEDERAL BUREAU OF INVESTIGATION
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	21,037	$1,188,170
1986 as enacted	21,692	1,209,000
Savings resulting from management initiatives	-38	-948
Uncontrollable increases (see p. 9)	...	41,973
Decreases:		
Nonrecurring costs for:		
Dormitory/classroom facility at FBI Academy	...	-13,120
Rental of engineering building	...	-1,000
Telecommunications (FTS and Telephone Switch)	...	-4,738
Voice privacy capital investment	...	-11,795
Aircraft and avionics equipment	...	-1,000
Confidential expenditures	...	-12,090
Automated data processing capital investment	...	-13,265
1987 base	21,654	1,193,017
Program changes (detailed below)	776	85,393
1987 estimate	22,430	1,278,410

	1987 Base		1987 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Criminal, Security and Other Investigations:						
Other field programs	8,479	$459,194	8,942	$505,382	463	$46,188
Organized crime	2,588	130,826	2,696	133,132	108	2,306
White collar crime	2,937	150,990	3,054	153,491	117	2,501
Organized Crime Drug Enforcement	446	33,581	486	34,436	40	855
Subtotal	14,450	774,591	15,178	826,441	728	51,850

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
2. Investigative Support:						
Training	401	$23,758	401	$23,508	...	-$250
Forensic services-Federal	322	18,460	322	18,460	...	...
ADP and telecommunications	567	122,969	611	136,080	44	13,111
Legal attaches	76	5,470	76	5,470	...	...
Records management	1,266	39,129	1,266	39,129	...	...
Technical field support and equipment	150	52,202	154	77,166	4	24,964
Subtotal	2,782	261,988	2,830	299,813	48	37,825
3. State and Local Assistance:						
General law enforcement training	283	16,667	283	12,385	...	-4,282
Forensic services-Non-Federal	122	8,359	122	8,359	...	...
Fingerprint identification	2,573	75,860	2,573	75,860	...	...
Criminal justice data and statistics services	207	8,501	207	8,501	...	...
Subtotal	3,185	109,387	3,185	105,105	...	-4,282
4. Program Direction:						
Executive direction and control	522	24,046	522	24,046	...	...
Administrative services	715	23,005	715	23,005	...	...
Subtotal	1,237	47,051	1,237	47,051	...	...
Total	21,654	1,193,017	22,430	1,278,410	776	85,393

Program Changes	Perm. Pos.	Amount
Other field programs	463	$46,188

These increases are directed toward the FBI's highest priority field investigative programs. These resources will enable the FBI to meet its mandated responsibilities and objectives in all critical areas.

Program Changes	Perm. Pos.	Amount
Support personnel	265	$5,662

These increases for field general support personnel represent one of the FBI's highest priority initiatives in the 1987 budget. The additional personnel will strengthen the respective program's general support complement and will result in the ability to produce, in a more efficient and effective manner, routine typing and tape transcriptions which will ultimately enhance agent productivity and performance. Distribution of this increase follows:

	Pos.	Amount
Organized crime	108	$2,306
White collar crime	117	2,501
Organized Crime Drug Enforcement	40	855

Training	...	-250

This program decrease results from the suspension of construction activities on the Practical Problems Training Complex at the FBI Academy.

Automated data processing and telecommunications	44	13,111

Increases of $12,000,000 for the FBI's artificial intelligence initiatives and 44 positions and $1,111,000 to staff the existing Regional Computer Support Centers are requested. Three artificial intelligence systems will be developed in an effort to preserve investigative expertise as a large portion of the current agent cadre reaches retirement age in the near future. The systems will focus on narcotics, anti-terrorism and labor racketeering investigative applications.

Technical field support and equipment	4	24,964

The increased resources will sustain the field-wide installation of digital voice privacy radios. This system is required to minimize the potential for compromised investigative personnel security and investigative integrity resulting from intercepted communications.

General law enforcement training	...	-4,282

This program decrease is the result of the Administration's initiative to charge State and local law enforcement personnel for meals and lodging while being trained at the FBI Academy. In addition, the FBI will no longer pay the travel and transportation costs of State and local personnel receiving training at the FBI Academy.

Total program changes, Federal Bureau of Investigation	776	85,393

DRUG ENFORCEMENT ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	4,906	$344,012
1986 as enacted	4,895	380,000
Savings resulting from management initiatives	...	-500
Uncontrollable increases (see p. 9)	...	14,245
Decreases:		
Federal Telecommunications System	...	-361
Nonrecurring items for additional positions previously authorized.	...	-6,310
Nonrecurring cost for guard service contract	...	-957
1987 base	4,895	386,117
Program changes (detailed below)	156	25,212
1987 estimate	5,051	411,329

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Enforcement of federal law and investigation:						
Domestic enforcement	1,520	$114,091	1,632	$122,691	112	$8,600
Organized Crime Drug Enforcement	762	57,327	762	57,327	...	...
Foreign cooperative investigations	425	44,827	425	44,827	...	...
Diversion control	496	28,096	496	25,396	...	-2,700
State and local assistance:						
State and local training	30	2,677	30	2,589	...	-88
State and local laboratory services	25	1,545	25	1,545	...	...
State and local task forces	202	21,033	202	21,033	...	...
Subtotal, State and local assistance	257	25,255	257	25,167	...	-88
Subtotal	3,460	269,595	3,572	275,408	112	5,812

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
2. Intelligence	343	$19,802	362	$20,542	19	$740
3. Research and Development	19	2,534	19	2,534	...	...
4. Support Operations:						
DEA laboratory services	191	10,042	198	10,765	7	723
DEA training	42	4,701	42	4,701	...	...
Technical operations	214	23,886	223	32,953	9	9,067
ADP and telecommunications	122	28,037	131	36,907	9	8,870
Records management	88	3,707	88	3,707	...	...
Subtotal	657	70,373	682	89,033	25	18,660
5. Program Direction:						
Executive direction and control	264	15,007	264	15,007	...	...
Administrative services	152	8,805	152	8,805	...	...
Subtotal	416	23,812	416	23,812	...	...
Total	4,895	386,117	5,051	411,329	156	25,212

Program Changes	Perm. Pos.	Amount
Domestic enforcement	112	$8,600
These increases are in support of DEA's principal investigative program. These additional resources will focus on cocaine, heroin and dangerous drugs investigative efforts. Increase includes an additional 80 agent positions.		
Diversion control	...	-2,700
This decrease of $2.7 million is related to the Administration's decision not to implement a new State assistance grant operation under DEA's overall Diversion Control program. Such grant programs do not have as urgent a priority as other enforcement efforts and responsibilities during times of fiscal restaint.		
State and local training	...	-88
This decrease results from a new Administration policy requiring State and local law enforcement officials receiving training from DEA to pay that portion of the costs relating to transportation, food and lodging.		

Program Changes	Perm. Pos.	Amount
Intelligence	19	$740
This increase will provide DEA with a strengthened analytic capability to help target significant drug trafficking organizations, especially in support of Organized Crime Drug Enforcement Task Force efforts.		
Laboratory services	7	723
These resources will permit additional hiring of chemists to help meet workload resulting from increased investigative activity.		
Technical operations	9	9,067
These increases are for needed investments in voice privacy radio equipment ($6.5 million), increased use of satellite and other communication means ($500,000), radio/electronic technicians (9 positions and $317,000) and other equipment items ($1.750 million).		
Automated data processing and telecommunications	9	8,870
These resources are to begin a long-term effort to upgrade and safeguard the operation of DEA's ADP and telecommunications systems. DEA requires a fully-encrypted and TEMPEST-rated capability with its systems to process National Security Information.		
Total program changes, Drug Enforcement Administration	156	25,212

IMMIGRATION AND NATURALIZATION SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	11,649	$580,015
1986 as enacted	11,694	593,800
Savings resulting from management initiatives	...	-482
Uncontrollable increases (see p. 9)	...	16,027
Decreases:		
Federal Telecommunications System (FTS)	...	-442
Nonrecurring costs for full-field investigations	...	-131
Nonrecurring costs for motor vehicles	...	-315
Nonrecurring costs for equipment	...	-64
1987 base	11,694	608,393
Program changes (detailed below)	...	1,000
1987 estimate	11,694	609,393

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Enforcement:						
Inspections	1,580	$77,711	1,580	$77,711	...	...
Border Patrol	3,694	165,394	3,694	165,394	...	...
Investigations	1,020	44,655	1,020	44,655	...	...
Anti-smuggling	323	15,344	323	15,344	...	...
Detention and deportation	1,180	83,934	1,180	83,934	...	...
Subtotal	7,797	387,038	7,797	387,038	...	...
2. Citizenship and Benefits:						
Adjudications and naturalization	1,239	47,372	1,239	47,372	...	...
Refugees and overseas	67	6,854	67	6,854	...	...
Subtotal	1,306	54,226	1,306	54,225	...	...

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
3. Immigration Support:						
Training	71	$8,326	71	$8,326	...	...
Data and communications systems	190	50,655	190	51,655	...	$1,000
Information and records management	1,161	38,398	1,161	38,398	...	...
Intelligence	39	1,851	39	1,851	...	...
Research and development	2	537	2	537	...	...
Construction and engineering	17	6,226	17	6,226	...	...
Field management and support	305	14,328	305	14,328	...	...
Legal proceedings	238	12,021	238	12,021	...	...
Subtotal	2,023	132,342	2,023	133,342	...	1,000
4. Program Direction:						
Executive direction and control	170	8,695	170	8,695	...	...
Administrative services	398	26,092	398	26,092	...	...
Subtotal	568	34,787	568	34,787	...	...
Total	11,694	608,393	11,694	609,393	...	1,000

Program Changes	Perm. Pos.	Amount
Data and communications systems	...	$1,000

A program increase of $1 million is requested for INS' Systematic Alien Verification for Entitlement System (Project SAVE). Project SAVE is an intergovernmental information-sharing initiative, developed by INS, to prevent illegal aliens, or aliens otherwise ineligible for benefits because of their immigration status, from receiving benefits.

FEDERAL PRISON SYSTEM
Analysis of an Increase of $142,871,000
(Dollars in thousands)

	Salaries and Expenses		National Institute of Corrections		Buildings and Facilities		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1985 obligations	10,441	$522,069	41	$15,434	75	$58,676	10,557	$596,179
1986 as enacted	10,876	556,900	41	11,000	57	46,063	10,974	613,963
1986 program supplemental	...	10,620	...	...	...	...	...	10,620
1986 appropriation anticipated	10,876	567,520	41	11,000	57	46,063	10,974	624,583
1987 estimate	10,857	598,807	41	9,495	70	159,152	10,968	767,454
Change 1987 from 1986	-19	31,287	...	-1,505	13	113,089	-6	142,871
Summary of Changes								
Adjustments to base								
Savings resulting from management initiatives	-50	-780	...	...	...	...	-50	-780
Uncontrollable increases:								
Annualization of additional positions approved in 1986	...	4,496	...	...	...	...	...	4,496
Within-grade increases	...	2,897	...	15	...	...	...	2,912
Health benefits costs	...	449	...	1	...	...	...	450
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	812	...	...	...	...	...	812
GSA rent	...	917	...	49	...	...	...	966
GSA recurring reimbursable services	...	12	...	...	...	...	...	12
Postal services increases	...	117	...	...	...	...	...	117
Telephone system line charges	...	73	...	...	...	...	...	73
Departmental printing costs	...	2	...	...	...	...	...	2
GPO printing costs	...	13	...	...	...	...	...	13
General pricing level adjustment	...	8,578	...	591	...	4,636	...	13,805
Total, uncontrollable increases	...	18,366	...	656	...	4,636	...	23,658
Decreases:								
Nonrecurring costs for purchase and renovation costs	...	...	...	...	...	-35,665	...	-35,665
Nonrecurring facilities activation costs	...	-1,722	...	...	...	...	...	-1,722
Federal Telecommunications System	...	-254	...	-7	...	...	...	-261
Nonrecurring positions associated with closed projects	...	...	...	...	-12	-1,412	-12	-1,412
Total, decreases	...	-1,976	...	-7	-12	-37,077	-12	-39,060
Total, adjustments to base	-50	15,610	...	649	-12	-32,441	-62	-16,182
Program changes	31	15,677	...	-2,154	25	145,530	56	159,053
Change 1987 from 1986	-19	31,287	...	-1,505	13	113,089	-6	142,871

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	10,441	$522,069
1986 as enacted	10,876	556,900
1986 program supplemental requested	...	10,620[a]
1986 appropriation anticipated	10,876	567,520
Savings resulting from management initiatives	-50	-780
Uncontrollable increases (see p. 41)	...	18,366
Decreases (see p. 41)	...	-1,976
1987 base	10,826	583,130
Program changes (detailed below)	31	15,677
1987 estimate	10,857	598,807

[a]An additional $10,620,000 is required to provide for food, medical, clothing, inmate transportation, unit management, education, recreation, religious, psychology, and maintenance costs associated with the projected increase of 2,779 in the average daily population for 1986.

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Inmate Care, Custody and Programs:						
Inmate care	1,620	$130,208	1,621	$133,287	1	$3,079
Institution security	4,600	127,072	4,619	127,692	19	620
Unit management	1,254	44,578	1,261	45,683	7	1,105
Inmate programs	643	32,547	645	32,959	2	412
Subtotal	8,117	334,405	8,146	339,621	29	5,216
2. Institution Administration and Maintenance:						
Institution administration	1,327	72,068	1,328	72,430	1	362
Staff training	63	8,088	63	8,102	...	14
Institution maintenance	845	82,993	846	85,058	1	2,065
Subtotal	2,235	163,149	2,237	165,590	2	2,441

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
3. Contract Confinement.....	69	$56,762	69	$56,762	...	...
Subtotal.....	69	56,762	69	56,762	...	...
4. Program Direction:						
Executive direction.....	223	11,353	223	11,353	...	...
Administrative services.....	182	17,461	182	25,481	...	$8,020
Subtotal.....	405	28,814	405	36,834	...	8,020
Total.....	10,826	583,130	10,857	598,807	31	15,677

Program Changes	Perm. Pos.	Amount
Activate housing units and purchase equipment.....	31	$2,719
This request provides an increase of 31 positions and $2,719,000 distributed among FPS' care, custody, inmate, institution maintenance and administration programs to activate facilities and finance the purchase of activation equipment.		
Population adjustment.....	...	4,938
This request provides an increase of $4,938,000 to finance the adequate care and subsistence of a projected increase in the average daily population of 1,243. These resources will enable FPS to house an annual average daily population of 37,812 in 1987.		
Administrative services.....	...	8,020
This request provides an increase of $8,020,000 to replace obsolete SENTRY equipment and finance steadily escalating data processing charges due to Federal Prison System expanded usage.		
Total program changes, Salaries and Expenses.....	31	15,677

FEDERAL PRISON SYSTEM, NATIONAL INSTITUTE OF CORRECTIONS
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	41	$15,434
1986 as enacted	41	11,000
Uncontrollable increases (see p. 41)	...	656
Decreases (see p. 41)	...	-7
1987 base	41	11,649
Program changes (detailed below)	...	-2,154
1987 estimate	41	9,495

The 1987 budget request also includes a proposal to rescind unobligated balances of $3.3 million in 1986. These resources were appropriated by Congress in 1984 and 1985 for the purposes of developing education programs for inmates in State prisons, training State and local correctional personnel, and developing classification systems for the placement of offenders.

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. National Institute of Corrections	41	$11,649	41	$9,495	...	-$2,154

Program Changes	Perm. Pos.	Amount
National Institute of Corrections	...	-$2,154

This decrease reflects the Administration's proposal to charge State and local governments for certain costs (i.e., travel, food and lodging) related to NIC-sponsored training.

FEDERAL PRISON SYSTEM, BUILDING AND FACILITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	75	$58,676
1986 as enacted	57	46,063
Uncontrollable increases (see p. 41)	...	4,636
Decreases (see p. 41)	-12	-37,077
1987 base	45	13,622
Program changes (detailed below)	25	145,530
1987 estimate	70	159,152

	1987 Base		1987 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Planning and site acquisition.	...	...	...	...	...	...
2. New construction	6	...	24	$133,795	18	$133,795
3. Modernization and repair of existing facilities	39	$13,622	46	25,357	7	11,735
Total	45	13,622	70	159,152	25	145,530

Program Changes	Perm. Pos.	Amount
New construction	18	$133,795
The requested program increase provides resources to construct three medium security institutions.		
Modernization and repair	7	11,735
The requested program increase provides resources to accomplish important renovation and repair projects; begin the clean-up of hazardous waste material at selected institutions; and expand capacity at two existing institutions.		
Total program changes, Building and Facilities	25	145,530

FEDERAL PRISON SYSTEM, FEDERAL PRISON INDUSTRIES, INC.
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations (revolving fund)	866	$204,783
1986 estimated obligations	925	291,176
Uncontrollable increases:		
Annualization of additional positions approved in 1986	...	305
Within-grade increases	...	162
GSA rent	...	13
Health benefits costs	...	27
General pricing level adjustment	...	10,032
1987 base	925	301,715
Program changes (detailed below)	37	8,096
1987 estimate	962	309,811

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
Congressional limitation						
1. Administrative expenses	29	$2,157	29	$2,157	...	...
2. Vocational training expenses	97	7,208	97	7,208	...	...
Subtotal	126	9,365	126	9,365	...	...
3. Industrial operations:						
Cost of production	799	212,363	836	220,459	37	$8,096
Other expenses	...	53,130	...	53,130	...	...
Buildings and improvements	...	10,554	...	10,554	...	...
Machinery and equipment	...	16,303	...	16,303	...	...
Subtotal	799	252,350	836	300,446	37	8,096
Total	925	301,715	962	309,811	37	8,096

Program Changes	Perm. Pos.	Amount
Industrial Operations	37	$8,096

This increase will provide employment for an additional 970 inmates through the expansion of factories at 42 institutions and the establishment of new factories at two institutions.

OFFICE OF JUSTICE PROGRAMS
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	334	$182,676
1986 as enacted	334	203,982
1986 proposed rescission	-10	-127,836[a]
1986 appropriation anticipated	324	76,146
Uncontrollable increases (see p. 9)	...	3,318
Decreases:		
Restoration of management and administration to program level	...	-12
1987 base	324	79,452
Program changes (detailed below)	-70	-5,052
1987 estimate	254	74,400

[a]This Administration proposes to reduce this appropriation by $127,836,000 in 1986. Of this amount, $5,727,000 will be taken with the Gramm-Rudman-Hollings sequester. The rescission and sequester affect the following programs: State and local assistance (-10 positions and -$50,700,000); Juvenile Justice (-$63,703,000); Mariel Cuban grants (-$5,000,000); and Regional Information Sharing System (-$8,433,000).

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Research, evaluation and demonstration programs	...	$19,400	...	$19,400	...	...
2. Criminal justice statistical programs	...	16,700	...	19,700	...	$3,000
3. State and local assistance	...	...	...	...	...	...
4. Emergency assistance	...	1,200	...	1,200	...	...
5. Juvenile justice programs	...	3,897	...	...	...	-3,897
6. Missing children	...	4,000	...	4,000	...	...
7. Public safety officers' benefits program	...	11,400	...	11,400	...	...
8. Mariel Cubans	...	...	...	...	...	...
9. Crime control programs	...	...	...	...	...	...

Comparison by activity and program	1987 Base Perm. Pos.	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
10. Regional information sharing system	...	$1,467	...	...	...	-$1,467
11. Management and administration.	324	21,388	254	$18,700	-70	-2,688
Total	324	79,452	254	74,400	-70	-5,052

Program Changes	Perm. Pos.	Amount
Criminal justice statistical programs	...	$3,000
This increase is requested to initiate the implementation of the redesigned Uniform Crime Report (UCR) program. The redesign is the result of a three-year assessment of the program which began in 1982.		
Juvenile justice programs	...	-3,897
A proposed 1986 rescission will eliminate the majority of funding for this program. The Administration believes that the major goals have already been accomplished and that further funding for this program should be provided at the State and local level. A program reduction of $3,897,000 is requested to terminate this program at the Federal level.		
Regional Information Sharing System (RISS)	...	-1,467
This program is designed to aid State and local law enforcement agencies in the exchange of intelligence information. The original RISS projects were funded on a demonstration basis with the expectation that financial support for these intelligence networks would in time be assumed by the State and local law enforcement agencies which they serve. In light of scarce Federal resources, the Administration believes that the agencies which benefit from the services should now pay for those services. Of the $9.9 million available for this program in 1986, $8,007,000 is proposed for rescission and $426,000 has been sequestered as a result of the Balanced Budget and Emergency Deficit Control Act of 1985. The 1987 program reduction of $1,467,000 will eliminate funding for this program.		
Management and administration	-70	-$2,688
This reduction reflects planned productivity improvements (11 positions and $1 million) and the reduction of staff associated with the termination of the juvenile justice and State and local assistance programs (59 positions and $1,688,000).		
Total program changes, Office of Justice Programs	-70	-5,052

OFFICE OF JUSTICE PROGRAMS
Crime Victims Fund
(Dollars in thousands)

	Perm. Pos.	Amount
1985 obligations	...	...
1986 estimate	...	$68,313
Proposed obligation limitation	...	-3,396
1986 anticipated obligations	...	64,917
1986 authorized collection/1987 base	...	100,000[a]
Proposed obligation limitation	...	-65,000
1987 estimate (obligations)	...	35,000

[a]Obligations are incurred in the fiscal year following the year of collection. The Crime Victims Fund is currently authorized to collect up to $100 million for obligation in 1987.

Proposed obligation limitations

The Administration has proposed an obligation limitation of $64,917,000 in 1986 and $35,000,000 in 1987 to encourage development of additional crime victims programs at the State and local level and to offset the Federal deficit.

GENERAL STATEMENT

Mr. SMITH. This morning we have the Attorney General. We welcome you, Mr. Meese. Mr. Attorney General, you may proceed.

Attorney General MEESE. Thank you, Mr. Chairman and members of the committee. It is a pleasure to be here again with you and to discuss the 1987 request for the Department of Justice. This request reflects the law enforcement initiatives that the President has maintained for this Department for the past five years. These initiatives focus on supporting the core functions of the Federal Government and ensuring that these responsibilities are aggressively and effectively implemented. The budget provides for increases, as was pointed out by the Chairman, particularly in these areas where the need for additional resources is urgent. It provides for significant, selective reductions in order to accomplish the mandate of reducing the Federal deficit.

The President's budget clearly recognizes that Federal law enforcement functions must be maintained and strengthened. The Department's Fiscal Year 1987 law enforcement priorities will include confronting and attacking international and interstate drug trafficking and organized crime, exposing and stopping those who threaten the nation's internal security, prosecuting the purveyors of hate who violate our civil rights laws, developing the Federal Prison System to meet the expanding demands that are being placed on it, and representing the Federal Government in an ever increasing range of litigation.

Our budget request for $4.3 billion and 64,415 permanent positions is designed to emphasize our core law enforcement responsibilities. These positions, when compared to 1986, will grow by more than 1,100, and our budget authority will increase proportionately.

DEFICIT REDUCTION ACTIVITIES

As we maintain and strengthen these core law enforcement functions, we will undertake to reduce expenditures in other areas in order to accomplish another top priority of the President—to reduce the deficit. First, we will seek management improvements in all of our own programs. Second, we will explore whether certain activities can be provided more effectively by the States or by private entitites than by the Government. Third, we have identified certain services, such as training of State and local law enforcement personnel, where costs can be more equitably shared. Finally, we must confront the circumstance that some of the grant programs have outlived their mandates. We must distinguish between programs that should be conducted at the national level and those that should be funded at the State or local level. We do not believe that a history of Federal assistance alone dictates further assistance. Indeed, we believe that Federal assistance has tended to perpetuate some of the least viable law enforcement programs.

DRUG ENFORCEMENT ENHANCEMENTS

Last year, the Administration and Congress enacted a new drug inititative. Significant increases were provided to the Drug Enforcement Administration (DEA), the United States Attorneys, and

other agencies engaged in what has been called the drug war. The 1987 budget request for DEA continues to reflect the President's deep concern that illegal drugs are the nation's number one threat to safety and stability.

I might add parenthetically, only yesterday the President's Organized Crime Commission released a very extensive report which backs up the importance of this particular priority and demonstrates, on the basis of their two and a half year study, the need for our continuing priority to this particular subject.

In 1986, the Congress approved $380 million for DEA. For Fiscal Year 1987 we recommend that this amount be raised to $411.3 million. Program increases proposed at DEA include 138 positions and $10.1 million to expand domestic investigations and improve intelligence and laboratory services; nine positions and $8.9 million to upgrade automated data processing and telecommunications; and nine positions and $9.1 million to purchase and maintain voice privacy radio equipment. These and similar expenditures are critical to the integrity, safety, and effectiveness of the investigations conducted by the Department's law enforcement agents.

While primary responsibility for enforcing the drug laws resides in DEA, this effort requires the resources of many other organizations. In September 1982, the Administration undertook significant steps to make more effective and efficient the overall Government's enforcement program. The Organized Crime Drug Enforcement Task Forces that we launched at that time have been remarkably effective in fostering interagency cooperation. The 1987 budget furthers this cooperative effort with requests to provide additional drug enforcement resources to the Federal Bureau of Investigation, the Marshals Service, the U.S. Attorneys, and the Criminal and Tax Divisions of the Department of Justice.

FBI ENHANCEMENTS

Our ability to deal more effectively with all forms of crime, including drug trafficking, will be enhanced by the new resources requested for the FBI. To counter the threat of foreign intelligence activities and meet the needs of other field investigative programs, we are requesting enhanced resources. For the Foreign Counterintelligence Program, we have increased our resources significantly for four successive years. We are proud of the recent successes that the FBI has had in unearthing espionage cases. Our request for an increase in this area, however, is premised on our continuing concern relating to the activities of foreign agents and their ability to obtain valuable information relevant to the national security.

To assist the FBI, our request includes a challenging proposal to apply the techniques of artificial intelligence to investigations in such areas as narcotics, terrorism, and organized crime, particularly labor racketeering. Again, a recent report of the President's Organized Crime Commission has dealt with this subject. The 1987 cost to undertake the program is $12 million.

The FBI request includes roughly $25 million for voice privacy to better protect and enhance the effectiveness of our law enforcement agents. As I stated earlier with regard to the Drug Enforcement Administration, this is an important program that impacts

upon all three of our principal law enforcment agencies, the FBI, DEA and Marshals Service. Additional voice privacy resources totalling $8.5 million are included for DEA and the Marshals Service. We are approaching this problem of voice privacy radios across the board within the Department, which will result in enhanced efficiencies, and the FBI has been given the lead in developing a more secure radio communications system for the Department's investigative agencies.

Again, I might add that in recent cases we have found that the criminals themselves have scanners in their hide-outs, in which they try to monitor the police broadcasts. This is why it is absolutely important to the safety of our law enforcement agents, as well as to the success of our investigations, to have this voice privacy radio system.

A less dramatic but nonetheless critical need of the FBI is for 469 positions and $10 million to strengthen support services. The recent increase in agent positions and the use of Title III wiretaps and the use of other specialized investigative techniques has left the FBI with inadequate clerical, typing and tape transcription resources. Without these resources, cases cannot be effectively prepared for trial, and investigations will be stalled.

The 1987 budget will bring the combination of FBI and DEA agent strength to new heights. This, together with the increased strength in the United States Attorneys' offices, will place the Department in a better position than before to investigate serious crime and bring more cases to trial.

FEDERAL PRISON INCREASES

Our success in developing more major cases with more defendants has caused some difficult problems at our prisons. The nation's commitment to fighting crime is reflected in the increases in the prison population. Since 1981, the Federal prisoner population has increased 49 percent, and despite our unprecedented prison construction efforts, the prisons remain overcrowded.

In 1987, we plan to activate additional housing units in Alabama, Oklahoma, and Florida. With the construction requests in this budget which is before you, we expect to be able to respond better to future needs. We are optimistic, not just about the funding request, but because we have sites selected for three new Federal Correctional Institutions with accompanying camps at Bradford, Pennsylvania; Marianna, Florida; and Sheridan, Oregon. For the first time in many years, we have been able to identify specific sites for new facilities at the point the budget is submitted to the Committee.

In addition, it should be noted that the requested $145.5 million "Buildings and Facilities" request for buildings and facilities for Fiscal Year 1987 will allow us to add 250 bedspaces to existing facilities in Arizona and Illinois as well as to conduct major renovations in several existing institutions.

The 1987 budget also contains funding for contracts with local jails to house Federal prisoners and maintains the Cooperative Agreement Program which provides limited funding to renovate, construct, and equip jails that guarantee space for Federal prison-

ers. This has been a very important and successful program to provide spaces in metropolitain areas and local areas adjacent to Federal District Courts for prisoners awaiting trial.

ADP REQUESTS

Aside from the FBI proposal to apply artificial intelligence techniques to complex criminal investigations, there are a number of important new and expanded uses for automated data processing planned within the Department. We realize that we have to use the new-state-of-the-art technology so that we can maintain maximum productivity with minimal personnel increases. For the Federal Prison System and the Drug Enforcement Administration, we are requesting $16.9 million to replace and upgrade electronic data processing and telecommunications equipment. We are also asking for an additional $10 million to apply advanced office automation capabilities to the Department's litigating components. This will allow the Department the means to coordinate its procurement strategy, ensure that the various divisions of the Department have compatible equipment, and obtain the most efficient and effective systems for the overall Department, so that we can bring to fruition a lot of the plans for electronic data processing which have been in existence in the Department now for several years and where it is important to bring these projects to completion. Additionally, $4 million is requested to implement a new Departmental Financial and Administrative Management Information System (FAMIS), one of those things which has been recommended by the General Accounting Office and the Office of Management and Budget as part of Reform 88 and other similar projects. The implementation of this system is necessary to ensure the Department's compliance with accounting and financial standards imposed by law.

Although we are reexamining the Immigration and Naturalization Service's overall ADP and telecommunications plan, we have decided that we must move forward with the Systematic Alien Verification for Entitlement (SAVE) System. We are asking for $1 million to expand this effort. The SAVE System allows States to exchange information with the INS to verify whether applicants for entitlements may, in fact, be ineligible because of their alien status. The SAVE System may also help to cure the underlying problem or at least help to reduce the underlying program of illegal immigration, as it will undercut some of the motivation for illegal entry into the United States. We have had a very enthusiastic response from many of our States to this program, and it is a way in which we can carry out our Federal responsibilities and at the same time benefit the States by lowering welfare costs.

CIVIL LITIGATION REQUESTS

The Department's role in defending the United States, and particularly the Treasury, in civil litigation has substantial financial impact and is, unfortunately, an area where our responsibilities have been increasing dramatically. You are all aware of the litigation explosion in our country, and the Federal Government is no

stranger to being served with process and being the subject of lawsuits.

For 1987, we are requesting 114 new positions and approximately $5.8 million to help meet these growing responsibilities in this field of defensive litigation. The largest segment is for the Civil Division to defend tort claims involving asbestos and radiation exposure, as well as contract claims. An increase is requested for the Tax Division so that it may undertake its increased burden involving appellate litigation and organized crime drug enforcement matters. The Land and Natural Resources Division, in addition to conducting litigation to enforce the environmental laws, defends the Government in environmental actions. This litigation also has increased markedly, and our U.S. Attorneys, who are in the forefront of lawsuits being brought in judicial districts, need more resources for both tort and contract work.

OTHER ENHANCEMENT REQUESTS

Limited increases or changes are found in other programs of the Department. We propose to expand the U.S. Trustee pilot program in bankruptcy cases to two additional districts where a need has been demonstrated. The Administration also intends to submit legislation to the Congress to transfer to the Department of Justice some of the functions of the Interstate Commerce Commission. The Antitrust Division budget reflects these anticipated additional responsibilities. Finally, no budget request for the President's Commission on Organized Crime is being submitted because the Commission, consistent with its mandate, is completing its tasks during 1986. As a matter of fact, they will have completed their work in approximately the next 30 to 45 days.

REDUCTIONS AND SAVINGS

The reductions reflected in the budget, although perhaps less popular in some quarters than the increases, are just as important to implement, as I mentioned earlier, as part of our efforts to comply with the necessity to reduce the Federal deficit.

We are proposing, for example, to charge State and local trainees for costs incurred for travel, meals, and lodging. The costs of instruction and other training expenses will continue to be born by the FBI, DEA, and the National Institute of Corrections. Judging from the experience that we have had over the years at the Federal Law Enforcement Training Center at Glynco, Georgia, we think that State and local agencies will be willing to pay a greater share of the costs associated with training. This policy will bring the Justice Department into conformity with other cabinet departments which have, in the past, charged user fees in similar circumstances.

The changes planned for the Office of Justice Programs are more controversial. It was probably no surprise that the 1987 budget contains no new funding for Juvenile Justice programs, the Regional Information Sharing System, or the Mariel-Cuban grants. This Administration has consistently opposed new funding for these programs as a part of balancing what are the core programs of law enforcement against some of the grant programs that have existed. In addition, the Administration has advised Congress of its propos-

al to rescind 1986 funds that had very recently been appropriated for these programs. This included rescission of the State and local assistance program as well as the obligation limitation established on the Crime Victim Fund. On the latter program, you may remember, the Comprehensive Crime Control Act of 1984 established a ceiling of $100 million to be spent annually for State, local, and Federal crime victims programs. The $64.9 million limitation for 1986 will allow us to expend all of the funds collected in 1985 for distribution to the States. The $35 million for 1987 is a significant Federal contribution toward these programs. We will still be carrying on our responsibility to participate in and contribute to these programs, while at the same time maintaining modest reductions in the overall outlays.

The National Institute for Justice and the Bureau of Justice Statistics, our principal national research and development organizations, will continue to provide their services which primarily benefit State and local law enforcement. Both of these organizations perform services that can be conducted only on the national level. The 1987 request for the Bureau of Justice Statistics includes an increase of $3 million to implement the first phase of the redesign of the Uniform Crime Report. It is a very important advance to bring the crime reporting system of the nation, which involves virtually every police department in our land, into compliance with modern technology in statistical data collection and reporting.

The Administration's budget request also provides level funding for the Public Safety Officers' Benefits Program and Emergency Assistance, and the Missing Children's program.

BALANCED BUDGET AND EMERGENCY DEFICIT REDUCTION ACT

Before closing, I would like to say a word about the Gramm-Rudman-Hollings sequester process for 1986. The recent decision of the District Court is, in one sense, gratifying as it confirms in large measure the positions which have been taken by the Justice Department. We anticipate resolution of the issue in the coming months by the Supreme Court. We have, of course, urged the court to move as rapidly as possible so that the Congress, the Executive Branch and the nation as a whole will know what the future holds for this legislation. This litigation, however, must not divert us from our resolve to confront the deficit. Because the District Court's decision has been stayed, and the legislation established an alternative procedure for accomplishing the necessary reductions, our financial plans continue to anticipate a 4.3 percent reduction in 1986 budget authority. We have been studying the programmatic impact of projected budget cuts and are making plans to ensure our ability to carry out the core Federal law enforcement program.

BALANCING OF BUDGETARY NEEDS

The Department's budget represents a balancing of the many interests that compete for Federal resources. It candidly favors those areas that are essential elements in the enforcement of Federal law. In an era that requires more than fiscal restraint, we must allocate resources only where the core functions are involved and where expenditures can be effectively utilized.

To do otherwise is to ignore our substantial responsibilities to the public which needs the protections of both a strong Federal law enforcement program and a fiscally sound budget.

I would like to thank the Committee for this opportunity to present the views of the Department of Justice. Throughout the year, we hope to be responsive to you on the various inquiries which you, Mr. Chairman, and other members of the committee provide to us, and I stand ready now to answer any questions you may have.

[The prepared statement of Attorney General Meese follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF THE ATTORNEY GENERAL
EDWIN MEESE III
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY AND RELATED AGENCIES

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss the 1987 budget request for the Department of Justice. This request reflects the law enforcement initiatives that the President has maintained for this Department for the past five years. These initiatives focus on supporting the core functions of the Federal Government and ensuring that these responsibilities are aggressively and effectively implemented. The budget provides for increases in these areas where the need for additional resources is urgent. It provides for significant, selective reductions in order to accomplish the mandate of reducing the Federal deficit.

The President's budget clearly recognizes that Federal law enforcement functions must be maintained and strengthened. The Department's Fiscal Year 1987 law enforcement priorities will include confronting and attacking international and interstate drug trafficking and organized crime, exposing and stopping those who threaten the nation's internal security, prosecuting the purveyors of hate who violate our civil rights laws, developing the Federal Prison System to meet the expanding demands that are

being placed on it, and representing the Federal Government in an ever increasing range of litigation.

Our budget request for $4.3 billion and 64,415 permanent positions is designed to emphasize our core law enforcement responsibilities. Our positions, when compared to 1986, will grow by more than 1,100 and our budget authority will increase proportionately. As we maintain and strengthen these core law enforcement functions, we will undertake to reduce expenditures in other areas in order to accomplish another top priority of the President--to reduce the deficit.

First, we will seek management improvements in our own programs. Second, we will explore whether certain activities can be provided more effectively by the States or by private entities than by the Government. Third, we have identified certain services, such as training of State and local law enforcement personnel, where costs can be more equitably shared. Finally, we must confront the circumstance that some of the grant programs have outlived their mandates. We must distinguish between programs that should be conducted at the national level and those that should be funded at the State or local level. We do not believe that a history of Federal assistance dictates further assistance. Indeed, we believe that Federal assistance has tended to perpetuate the least viable law enforcement programs.

Program Increases

Last year, the Administration and Congress enacted a new drug initiative. Significant increases were provided to the Drug

Enforcement Administration (DEA), the United States Attorneys, and other agencies engaged in the drug war. The 1987 budget request for DEA continues to reflect the President's deep concern that illegal drugs are the nation's number one threat to safety and stability. In 1986, the Congress approved $380 million for DEA. For fiscal year 1987 we recommend that this amount be raised to $411.3 million. Program increases proposed at DEA include 138 positions and $10.1 million to expand domestic investigations and improve intelligence and laboratory services; 9 positions and $8.9 million to upgrade automatic data processing and telecommunications; and 9 positions and $9.1 million to purchase and maintain voice privacy radio equipment. These and similar expenditures are critical to the integrity, safety, and effectiveness of the investigations conducted by the Department's law enforcement agents.

While primary responsibility for enforcing the drug laws resides in DEA, this effort requires the resources of many other organizations. In October 1982, the Administration undertook significant steps to make more effective and efficient the Government's enforcement program. The Organized Crime Drug Enforcement Task Forces that we launched at that time have been remarkably effective in fostering interagency cooperation. The 1987 budget furthers this cooperative effort with requests to provide additional drug enforcement resources to the Federal

Bureau of Investigation, the Marshals Service, the U.S. Attorneys, and the Criminal and Tax Divisions.

Our ability to deal more effectively with all forms of crime, including drugs, will be enhanced by the new resources requested for the FBI. To counter the threat of foreign intelligence activities and meet the needs of other field investigative programs, we are requesting enhanced resources. For the Foreign Counterintelligence Program we have increased our resources significantly for four successive years. We are proud of the recent successes that the FBI has had in unearthing espionage cases. Our request for an increase in this area, however, is premised on our continuing concern relating to the activities of foreign agents and their ability to obtain valuable information relevant to the national security.

To assist the FBI, our request includes a challenging proposal to apply the techniques of artificial intelligence to investigations in such areas as narcotics, terrorism, and organized crime, particularly labor racketeering. The 1987 cost to undertake the program is $12 million.

The FBI request includes roughly $25 million for voice privacy to better protect and enhance the effectiveness of our law enforcement agents. As I stated earlier with regard to the Drug Enforcement Administration, this is an important program that impacts upon the FBI, DEA and Marshals Service. Additional voice privacy resources, totalling $8.5 million are included for

59-584 O—86——3

DEA and the Marshals Service. The FBI has been given the lead in developing a more secure radio communications system for the Department's investigative agencies.

A less dramatic, but nonetheless critical need of the FBI is for 469 positions and $10 million to strengthen support services. The recent increase in agent positions and the use of Title III wiretaps and the use of other specialized investigative techniques has left the FBI with inadequate clerical, typing and tape transcription resources. Without these resources, cases cannot be effectively prepared for trial, and investigations will be stalled.

The 1987 budget will bring the combination of FBI and DEA agent strength to new heights. This, together with the increased strength in the United States Attorneys' Offices, will place the Department in a better position than before to investigate serious crime and bring more cases to trial.

Our success in developing more major cases with more defendants has caused some difficult problems at our prisons. The nation's commitment to fighting crime is reflected in the prison population. Since 1981 the Federal prisoner population has increased 49 percent and despite our prison construction efforts, the prisons remain overcrowded.

In 1987, we plan to activate additional housing units in Alabama, Oklahoma, and Florida. With the construction requests in this budget, we expect to be able to respond better to future

needs. We are optimistic, not just about the funding request, but because we have sites selected for three new Federal Correctional Institutions, with accompanying camps, at Bradford, Pennsylvania; Marianna, Florida; and Sheridan, Oregon. For the first time in many years, we have been able to identify specific sites for new facilities at the point the budget is submitted. In addition, it should be noted that the requested $145.5 million "Buildings and Facilities" request for 1987 will allow us to add 250 bedspaces to existing facilities in Arizona and Illinois as well as to conduct major renovations at several existing institutions.

The 1987 budget also continues funding for contracts with local jails to house Federal prisoners and maintains the Cooperative Agreement Program which provides limited funding to renovate, construct, and equip jails that guarantee space for Federal prisoners.

Aside from the FBI proposal to apply artificial intelligence techniques to complex criminal investigations, there are a number of important new and expanded uses for automated data processing planned within the Department. For the Federal Prison System and the Drug Enforcement Administration, we are requesting $16.9 million to replace and upgrade ADP and telecommunications equipment. We are also asking for an additional $10 million to apply advanced office automation capabilities to the Department's litigating components. This will allow the Department the means to coordinate its procurement strategy, ensure that the various

divisions are compatible, and obtain the most efficient and effective systems for the overall Department. Additionally, $4 million is requested to implement a new Departmental Financial and Administrative Management Information System (FAMIS). Implementation of FAMIS is necessary to ensure the Department's compliance with accounting and financial standards imposed by law.

Although we are reexamining the Immigration and Naturalization Service's overall ADP and telecommunications plan, we have decided that we must move forward with the Systematic Alien Verification and Entitlement (SAVE) System. We are asking for $1 million to expand this effort. The SAVE System allows States to exchange information with the INS to verify whether applicants for entitlements may in fact be ineligible because of their alien status. The SAVE System may also help to cure the underlying problem of illegal immigration, as it will undercut some of the motivation for illegal entry into the United States.

The Department's role in defending the United States and its Treasury in civil litigation has substantial financial impact and is unfortunately an area where our responsibilities have been increasing dramatically. For 1987, we are requesting 114 new positions and approximately $5.8 million to help meet these growing responsibilities. The largest segment is for the Civil Division to defend tort claims involving asbestos and radiation

exposure as well as contract claims. An increase is requested for the Tax Division so that it may undertake its increased burden involving appellate litigation and organized crime drug enforcement matters. The Land and Natural Resources Division, in addition to conducting litigation to enforce the environmental laws, defends the Government in environmental actions. This litigation also has increased. The U.S. Attorneys need more resources for both tort and contract work.

Limited increases or changes are found in other programs of the Department. We propose to expand the U.S. Trustee pilot program in bankruptcy cases to two additional districts where a need has been demonstrated. The Administration also intends to submit legislation to the Congress to transfer to the Department of Justice some of the functions of the Interstate Commerce Commission. The Antitrust Division budget reflects these anticipated additional responsibilities. Finally, no budget request for the President's Commission on Organized Crime is being submitted because the Commission, consistent with its mandate, is completing its tasks during 1986.

Reductions and Savings

The reductions reflected in the budget, although perhaps less popular than the increases, are just as important to implement.

The Department is proposing to charge State and local trainees for costs incurred for travel, meals, and lodging. The costs of instruction and other training expenses will continue to

be borne by the FBI, DEA, and the National Institute of Corrections. Judging from the experience that we have had over the years at the Federal Law Enforcement Training Center at Glynco, Georgia, we think that State and local agencies will be willing to pay a greater share of the costs associated with training. This policy will bring the Justice Department into conformity with other cabinet departments which charge user fees in similar circumstances.

The changes planned for the Office of Justice Programs, are more controversial. It was probably no surprise that the 1987 budget contains no new funding for Juvenile Justice programs, the Regional Information Sharing System, or the Mariel-Cuban grants. This Administration has consistently opposed new funding for these programs. In addition, the Administration has advised Congress of its proposal to rescind 1986 funds that had very recently been appropriated for these programs. This included rescission of the State and local assistance program as well as the obligation limitation established on the Crime Victim Fund. On the latter program, you may remember, the Comprehensive Crime Control Act of 1984 established a ceiling of $100 million to be spent annually for state, local, and federal crime victims programs. The $64.9 million limitation for 1986 will allow us to expend all of the funds collected in 1985 for distribution to the States. The $35 million for 1987 is a significant Federal contribution toward these programs.

The National Institute for Justice and the Bureau of Justice Statistics will continue to provide a nationwide research and development capability. Both of these organizations perform services that can be conducted only on the national level. The 1987 request for the Bureau of Justice Statistics, includes an increase of $3 million to implement the first phase of the redesign of the Uniform Crime Report. The Administration's budget request also provides level funding for the Public Safety Officers' Benefits Program and Emergency Assistance, and the Missing Children's program.

Before closing, I would like to say a word about the Gramm-Rudman-Hollings sequester process for 1986. The recent decision of the District Court is in one sense gratifying as it confirms in large measure the position asserted by the Department of Justice. We anticipate resolution of the issue in the coming months by the Supreme Court. This litigation, however, must not divert us from our resolve to confront the deficit. Because the District Court's decision has been stayed, and the legislation established an alternative procedure for accomplishing the necessary reductions, our financial plans continue to anticipate a 4.3 percent reduction in 1986 budget authority. We have been studying the programmatic impact of projected budget cuts, and are making plans to ensure our ability to carry out the core Federal law enforcement program.

The Department's budget represents a balancing of the many interests that compete for Federal resources. It candidly favors those areas that are essential elements in the enforcement of Federal law. In an era that requires more than fiscal restraint, we must allocate resources only where the core functions are involved and where expenditures can be effectively utilized. To do otherwise, is to ignore our substantial responsibilities to the public which needs the protections of both a strong Federal law enforcement program and a fiscally sound budget.

I would like to thank the Committee for this opportunity to present the views of the Department of Justice.

—

COMMITTEE BUSINESS

Mr. SMITH. Thank you, Mr. Attorney General.

Before I proceed, I want to mention that Mr. O'Brien wanted to be remembered to you. He is unavoidably detained this morning.

Attorney General MEESE. I understand that. I appreciate it, and we are honored to have the Chairman of the Appropriations Committee here.

Mr. SMITH. We have a little housekeeping to do before we proceed.

This afternoon we are going to have the FBI, and that will involve some ongoing cases and some investigative matters that are sensitive. Then we have the Secretary of State and the State Department's Foreign Building Accounts and the Department's Security and Communications Programs starting next week. All of those involve classified items and so we need to close those three hearings for obvious reasons.

I will entertain a motion.

Mr. EARLY. I move that the hearings on the Fiscal Year 1987 budget request of the Federal Bureau of Investigation, the Secretary of State, and the classified security communications items of the Salaries and Expenses and the Foreign Buildings appropriations of the Department of State be held in executive session.

Mr. SMITH. Rules require that there be a roll call.

The Clerk will call the roll.

The CLERK. Mr. Smith.

Mr. SMITH. Aye.

The CLERK. Mr. Alexander.

[No response.]

The CLERK. Mr. Early.

Mr. EARLY. Yes.

The CLERK. Mr. Dwyer.

Mr. DWYER. Yes.

The CLERK. Mr. Carr.

[No response.]

The CLERK. Mr. Boland.

[No response.]

The CLERK. Mr. Whitten.

Mr. WHITTEN. Aye.

The CLERK. Mr. O'Brien.

[No response.]

The CLERK. Mr. Regula.

Mr. REGULA. Aye.

The CLERK. Mr. Rogers.

Mr. ROGERS. Aye.

The CLERK. Mr. Conte.

[No response.]

Mr. WHITTEN. General, glad to see you.

Attorney General MEESE. Thank you, sir.

MANAGEMENT OF SEQUESTRATION

Mr. SMITH. Thank you for your statement, Mr. Attorney General. You sort of told us, more or less, how you are going to handle the sequestration for 1986. It is $175.4 million. Could you give us a

little more detail? Do you have anything more to say about that? That is quite a little chunk of money.

Attorney General MEESE. Mr. Smith, Mr. Chairman, we are now working out the details with our various components of the Department, based upon principal program priorities, and we are making every effort through management improvements, in some cases deferring of capital expenditures and other things, to work out the handling of this sequestration.

We will be presenting, to the extent necessary, reprogramming proposals during the course of the year, and Mr. Wallace, our Assistant Attorney General for Administration, is now working with the components.

We think that the impact upon ongoing major priorities of the Department from this cut will be minimal through the careful adjustment of the various accounts.

Mr. SMITH. But it will require some adjustment to the accounts.

Attorney General MEESE. There will be some, and we will be presenting some reprogramming proposals to this committee.

DRUG TRAFFICKING ACROSS SOUTHERN BORDER

Mr. SMITH. You mentioned, quite properly, of course, drug enforcement activities, which have become a national concern in this country, and you took note of the achievements of the Organized Crime Drug Enforcement Task Forces with which this committee certainly agrees.

These task forces, I think, are important, and we marshal, in that regard, local resources to help with the federal resources. But the Commissioner of Immigration and Naturalization Services says that there is a growing narcotics traffic across the Rio Grande, that it increased by more than 25 percent in the last two years.

Are we getting a handle on it? I mean, we have this increased activity, and we say it is working, but yet, the seizures across the border seem to increase.

Attorney General MEESE. Mr. Chairman, I would suggest that, at least in part, the increase in seizures is a result of the improved interdiction capabilities, including the use of computerized data relating to license plates of suspect automobiles, better inspection methods by both the Customs Service and the INS, greater cooperation between the agencies, and increased intelligence activities on the other side of the border which have enabled us to target specific individuals and specific groups that are participating in this smuggling.

So, I am sure that, while to some extent the increased seizures reflect increased attempts to smuggle drugs into this country, it is also a sign of improved enforcement activity.

Mr. SMITH. You think it is both, then.

Attorney General MEESE. Yes, sir.

Mr. SMITH. There is an increase in the attempt to move more goods, too.

Attorney General MEESE. I think there is, and part of the reason is that, obviously, there are tremendous amounts of money involved, particularly in cocaine smuggling. This is why we are continuing to expand in this budget our enforcement activities, why

we are stepping up our prosecution activities through the Organized Crime Drug Enforcement Task Forces, and why, also, we are working in the course of the past year and continuing in the current and next fiscal year, more than ever before, to work on the demand side of drugs, to work on prevention and education campaigns.

As a matter of fact, as we meet here, we have all of our United States Attorneys gathered in Florida for a conference in which they are dedicating their efforts to going back to their judicial districts and taking the lead in prevention and education campaigns to accompany our current enforcement efforts, to try to reduce the demand for illicit drugs in this country.

ELIMINATION OF STATE ASSISTANCE GRANTS

Mr. SMITH. You propose, though, to eliminate the $2.7 million provided in Fiscal 1986 to implement the new state assistance grant program.

Why don't you think that is a good way to help?

Attorney General MEESE. Well, regarding the assistance grant program, we think that money can be more effectively used in our basic law enforcement programs. In the assistance grants, we have had to really have trade-offs and balance between what will get the most effect, as far as we are concerned. We think that a number of the programs at the state level will be carried on. We also think that what we are doing at the state level, by sharing with local law enforcement agencies the proceeds of forfeited assets we are obtaining from the drug dealers, will compensate for any other funds that we may not be providing in assistance grants as far as drug education is concerned.

FLOW OF ILLEGAL ALIENS

Mr. SMITH. Now, here is another border problem but, of course, we have this problem of illegal aliens, and the INS is now apprehending 40 percent more illegal aliens from Mexico each day, they say, than they did a year ago. They also say that for every one arrested at the border, two or three more come in. I have been down there on the border, and I flew with them in their helicopter and watched the operation, and you can see it.

I mean, there are more coming in than they are apprehending. Many of the ones that were picked up that night have been in practically every month in the last year. They come in and go as they please, more or less.

How are we going to handle this? Tell us about the immigration reform legislation and what efforts are going to be made to get it passed.

Attorney General MEESE. Mr. Chairman, we really would seek to handle this problem of increased alien travel over the border in three ways.

One, as you point out, the immigration legislation, particularly that portion of it that pertains to taking sanctions against those employers who willingly and knowingly hire illegal aliens, thus providing, literally a magnet for them to come over the borders.

Secondly, we are seeking to implement the SAVE program, the Systematic Alien Verification for Entitlement program, which will help to reduce the potential for welfare benefits for aliens which will, again, take away another draw.

Thirdly, we have improved and are continuing to improve the training and the deployment of border patrol agents, so that they can operate more effectively through the use of closed circuit television cameras and other things. We are getting more effective surveillance of the border for the development of manpower. So all of these things are being utilized to the utmost to stem the tide of illegal aliens coming into our country and trying to do a better job to gain control of our borders.

Mr. SMITH. They were using that kind of equipment when I was down there, and very effectively. They could sit back—I don't know how far away—and see the movements, and go down there and flash a light on them with the helicopter. A van would pull up, and they didn't even try to run. They would just get in the van, because they know we are going to take them in, give them a meal and take them back across the border, and they will come back the next night. We are not really gaining anything on it at all, are we?

Attorney General MEESE. I would say we are holding our own, and we are hopeful that by these other techniques that I mentioned, by the legislation and by the cutting off of welfare benefits——

SAVE PROGRAM

Mr. SMITH. Tell me more about the SAVE program.

Attorney General MEESE. The SAVE program is a means whereby on an automated basis the states, when there is an application for welfare benefits within a State, can make a request of the Department of Justice's Immigration and Naturalization Service computers to see whether this person who is applying for welfare benefits is legitimate or is an illegal alien.

They can then deny benefits on that basis, and this is a help not only to the States, but also a help to the Federal Government in denying one of the drawing reasons for these people trying to come into the country.

Mr. SMITH. Is there any constitutional problem here? Under our Constitution, are these illegal aliens considered persons?

Attorney General MEESE. They are a person, but it is lawful and legitimate to deny them welfare benefits if they are not eligible, because that is something reserved for citizens of this country.

U.S. TRUSTEE PROGRAM

Mr. EARLY. Thank you, Mr. Chairman.

Mr. Attorney General, I was pleased to see that for the first time the Department of Justice has included the U.S. Trustee program as a separate appropriation item in your 1987 budget request.

I was even more pleased to see that you requested an additional 14 positions for this program.

Your justification states that this increase represents the Department's effort to prepare for a nationwide expansion of this pilot

program, specifically by extending the jurisdiction of the existing program to include two additional offices in Detroit and Cleveland.

When do you estimate you will open those offices?

Attorney General MEESE. Mr. Early, we hope to open those during the course of the fiscal year. This is provided for in Fiscal 1987.

We would hope to open them as early as possible in the course of Fiscal Year 1987.

IMPOSITION OF THE SEQUESTRATION ON BOP

Mr. EARLY. Mr. Attorney General, because of time constraints, I would like to restrict my first set of questions to two specific areas: the contrasting standards with regards to implementing Gramm-Rudman-Hollings, and making across-the-board cuts.

I am not, let me tell you at the outset, an advocate of across-the-board cuts. I think it is totally irresponsible. For example, in the Federal Prison Systems budget, you make the statement that the population has increased—doubled since 1981—yet the Department supports this 4.3 percent sequestration.

Attorney General MEESE. I think almost a 50 percent increase.

Mr. EARLY. How can you suggest that the Bureau of Prisons—which I think is run by an outstanding federal administrator Mr. Norm Carlson—can absorb those types of cuts?

Attorney General MEESE. Mr. Early, we feel that we can absorb the cuts in that account for Fiscal Year 1986, which is a relatively minor cut, a 4.3 percent cut, through steps which will, for example, concentrate on reducing some of the halfway house funding, which will eliminate or reduce some of the administrative travel and some of the other management and administrative expenses, so that we will not have to make cuts in personnel or services at the prisons.

We are very much concerned if this goes on beyond that time, for example, into Fiscal Year 1987, if we had across-the-board cuts there, it would be much more serious. That is why we are hopeful that the President's budget will be adopted by the Congress, so that we won't have to have those kinds of across-the-board cuts.

I might also say that in terms of the population, in 1986 and in 1987 we did make requests for additional population support expenditures for the Bureau of Prisons.

Mr. EARLY. But Mr. Attorney General, I see that you have requested a $10.6 million supplemental to provide food, medical services, clothing, inmate transportation, management, education and other types of necessary inmate services due to the increased population.

We are just lying to the American public when we suggest the Bureau can make these types of cuts. This committee, which is very reluctant—Mr. Smith isn't a big spender—doesn't throw the money around, but we had to wait until prison guards got killed a few years ago to add additional prison guards.

In FY 1986, we gave you 50 additional correctional officers; yet this year aren't we opening three new facilities?

I think what you said in your first answer to my question, regarding halfway houses, is really where you have to make some very unpopular decisions, Mr. Attorney General.

I think that you, Mr. Carlson, and Chairman Baer—the head of the Parole Board—have got to look at letting the least offensive out. I think you have to look at the halfway houses and the Community Treatment Centers and consider releasing prisoners 30 to 60 days earlier.

They are going to be released shortly, so it makes sense to reduce the number so that we can make room for the new or most offensive prisoners.

Those are tough decisions; but with regard to Gramm-Rudman-Hollings, I just don't think an organization like the Bureau of Prisons can absorb these cuts.

FISCAL RESPONSIBILITY OF U.S. ATTORNEYS

On the other side of the coin, the U.S. Attorneys account—you and I talked about it last year. I am all for giving the U.S. Attorneys autonomy, but I think the U.S. Attorneys throughout this country are often totally irresponsible in spending their money.

Last year, you and I chatted about hung juries in Massachusetts. The U.S. Attorney up there was responsible for a tremendous conviction against organized crime. I am not criticizing him specifically for that.

It was a great job—but on a hung jury. We had another case last year where we had a politician tried. The newspaper reported coming back 11 to one for acquittal. We spent several hundred thousand dollars. The U.S. Attorney immediately said, we will retry.

During the second trial, which we discussed, last year went back for retrial, spent several hundred thousand more. And when the jury was out, it was suggested it might be hung. And he said, we will retry again. But then it came back for acquittal.

I don't think the U.S. Attorney should have that much autonomy in law. I read in the newspaper accounting that the government was 11 to one for acquittal. Was that discussed with the Washington office—whether we would retry that case—or was that an independent decision by an eager U.S. Attorney in that state?

Attorney General MEESE. Mr. Early, that was discussed with the Criminal Division in Washington.

As a matter of fact, at my request, the leaders of the Criminal Division went over the entire case. Following our discussion a year ago, I went back and conferred with the heads of the Criminal Division and the Deputy Attorney General who supervises that part of the Department, to be sure that we are properly reviewing all determinations of whether cases will be retried, reviewing the evidence, the quality of the evidence, reviewing the conditions in a particular case that may have given rise to a hung jury and so on. And I feel that we are very carefully supervising the U.S. Attorneys in decisions such as that.

Beyond that, we have done a great deal in the course of the past year to strengthen the management of the Department in regard to the U.S. Attorney activities. We have had the U.S. Attorney Advi-

sory Committee, where I personally, as the Attorney General, have spent much more time than has traditionally been the case, to look at procedures.

I visited U.S. Attorneys' offices myself to get a feel for how the Department's outlying activities are being administered, and I can assure you that both the level of competence, the level of management, and the centralization of policies and processes has increased considerably during the course of the last year.

Mr. EARLY. I commend you for that action, Mr. Attorney General, and I think it is the right way to govern. You know, those U.S. Attorneys—you must be well aware of the egos in our business.

They think they can spend money, try, retry, and retry again without really taking everything into consideration. So, I am pleased that you have done that.

In your budget request, you come in with the magic words. You say that additional U.S. Attorney money is to enhance narcotics and dangerous drug litigation. But will that bring any more efficiencies?

We just give them their pile of money to spend, and I really think over the past few years, under both Democratic and Republican Administrations, that it has been abused.

A lot of U.S. Attorneys are trying to enhance their own careers and don't care what they spend. So, I am pleased that you have looked into it.

STATE AND LOCAL TRAINING REDUCTION

In my last round, let me speak about another savings that I don't think is a true savings, Mr. Attorney General.

The FBI training program that the Justice Department has at Quantico is really a tremendous benefit to local governments who can't afford it and the FBI.

Now, in this budget, you are saying that you are not going to reimburse them for travel expenses. My local governments tell me they are not going to be able to pick up these costs.

Do you think that is a real savings?

Attorney General MEESE. Mr. Early, I believe it is. As you pointed out earlier, we have to find the savings someplace, and it was our feeling that it was far better to have it in partnership programs such as this—where the Federal Government is taking care of the cost of the capital expenditures for the buildings, the providing of all of the instructors, the providing of the costs of the education and instruction itself—that it is not unreasonable to ask local governments to pick up the relatively modest charge for subsistence, quarters and travel for the people who are enjoying the benefits of this federal training.

Mr. EARLY. But isn't that, Mr. Attorney General, just a case of the rich getting richer? My State is in pretty good economic condition. They might be able to do it Statewide.

Some States are really hurting. The poorer States are not going to be able to do it. I don't think we have a net gain that way.

The FBI training program is probably the most progressive training program that I have seen in my 22 years in government.

I really don't think that cutback is a savings.

Attorney General MEESE. Well, as I say, this is not a cutback in the training that is offered. It is a request that the local governments participate in those costs that are directly attributable to the people attending the course, but not in the much larger course of the capital improvements and the instructional costs themselves.

ANTITRUST REFORM LEGISLATION

Mr. EARLY. My final question, Mr. Attorney General. On the antitrust revisions, the Administration sent up a major legislative package. Has the Department of Justice been working in conjunction with the Commerce Department, the ITC, and the FTC in an effort to revise the antitrust laws?

Attorney General MEESE. Yes, we have, Mr. Early.

As a matter of fact, the presentation to the news media for the antitrust legislation, it was done jointly with the former chairman of the FTC, the Secretary of Commerce, and myself.

We have had a working group of the Domestic Policy Council, the Cabinet Council, working on this now for several months, and it was their report which provided the basis for the legislation that has been introduced which has been reviewed extensively throughout the entire Executive Branch.

Mr. EARLY. Have we been working to get at the companies that have really been injured by imports?

Attorney General MEESE. Yes, sir, we have.

Mr. EARLY. Mr. Chairman, I have used my ten minutes, but I have several other questions.

Mr. SMITH. Mr. Rogers.

MANAGEMENT OF SEIZED ASSETS

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Attorney General, I want to address with you for a few moments problems with the management of the seized assets at the Department, seized in criminal proceedings, and particularly those seized, I suppose, in the drug cases.

My understanding is you have about $250 million worth of seized assets, and because of what I consider the miserable management of those assets, you are selling them for about 50 cents on the dollar.

If that is true, then we are exposed to in excess of $100 million worth of loss because of mismanagement of those seized assets. And despite repeated reports to the Department from the GAO and from internal sources, I am concerned that the Department simply has not solved the problem.

Now, the omnibus crime bill gave the Justice Department three things. One, increased authority to seize property used in the commission of a crime or obtained from the profits of crime, and that has been used very effectively and very broadly; two, it increased the value of property which could be forfeited to the Government administratively, rather than through court proceedings; and three, it gave the Justice Department incentives for proper management of seized assets.

The sales could be used to offset administrative costs.

Justice established a National Seized Property Management Office in the Marshals Service to oversee management of property seized, but according to a GAO report in October 1985:

Although Justice has completed its reorganization, seized assets which are valued at about $270 million continue to be inadequately controlled.

In a 1983 report on this subject, we concluded that the poor condition of the seized assets was a major contributor to large disparities between the seizure value and the sales price of assets. Vehicles sold for only 58 percent of their seizure value; boats, 43 percent; and aircraft for 35 percent of their seized value.

Our current FIA review,

I am still quoting the GAO—

Disclosed that storage and maintenance problems similar to those we reported in our July 1983 report continue. For instance, many vehicles are stored out of doors for lengthy periods of time where they are subject to theft, vandalism, and deterioration from the weather. Numerous cars were unlocked, had flat tires, and were leaking fluids.

And there are other deteriorations of property; ranches, boats rotting in the water, cars and vehicles rusting and inservicable now, since the Department took possession. I think it is a major shortcoming, and I wonder if you would care to comment on that.

Attorney General MEESE. Yes, Mr. Rogers.

First of all, this has been a major management priority of the Department during the course of the past year. The GAO report to which you refer essentially is ancient history, because it was primarily commenting on situations which occurred or were in existence prior to the implementation of the Comprehensive Crime Control Act. That has been, primarily, a year in effect and we have been able to strengthen our management and control over these forfeited assets.

One of the reasons for the statistical historical percentages at which we were able to dispose of the forfeited assets was due to the historical data rather than current data, many of which were affected by the lengthy court proceedings that were necessary.

I think it will be more accurate to see what has happened in Fiscal Years 1985 and 1986, particularly as to these forfeited assets which we are reviewing now. I would be happy to provide you those data when our review is complete.

But because of the Comprehensive Crime Control Act, both through the administrative forfeiture proceedings and because of the improved ability to get court decisions, we think that this problem which you have properly referred to is being cleaned up and will be cleaned up by the end of Fiscal Year 1986.

CURRENT VALUE OF SEIZED ASSETS

Mr. ROGERS. What is the total value of seized assets right now?

Attorney General MEESE. I can't give you the exact amount. I would be happy to provide it by letter for you.

Mr. ROGERS. Has it changed from the $270 million that GAO in October 1985 said you had?

Attorney General MEESE. Well, I would assume it has gone up, because we are seizing more assets all the time. I would certainly hope so.

[The following information was submitted subsequent to the hearing:]

CURRENT VALUE OF SEIZED ASSETS

As of the end of January 1986, the U.S. Marshals Service (USMS) had 3,851 properties under seizure with a total value of $327.1 million, including $113.4 million in seized cash or other financial instruments. Expenses for the management of this property are paid from the Assets Forfeiture Fund and include costs for safeguarding, maintaining and disposing of this property. Additionally, expenses are incurred for payment of amounts in remission or mitigation of forfeiture; and the equitable sharing with State and local law enforcement agencies who have assisted in the seizure. To administer the National Assets Seizure and Forfeiture program, the USMS allocates 177 full-time positions and over $5.8 million on an annual basis.

IMPROVED MAINTENANCE OF SEIZED PROPERTY

Mr. ROGERS. Tell me about the methods by which you have improved the maintenance of seized property.

Attorney General MEESE. Well, one of the improvements, of course, is to try to dispose of it more quickly, and that is to remove any liens or other impediments to the judicial forfeiture process, as well as to moving more rapidly through the administrative process. We have also had, through the Marshals Service and under the supervision of the Forfeited Assets Unit within the Criminal Division, better supervision of how these assets are being maintained. Another thing that we have been doing is we have been turning over many of the assets more quickly to local governments, particularly the vehicles which we have been able to do under the provisions of the Comprehensive Crime Control Act.

Mr. ROGERS. This is being run out of the U.S. Marshals Service office now.

Attorney General MEESE. Yes, sir, and also supervised by the Criminal Division, a special unit there.

Mr. ROGERS. Who has the responsibility for turning these assets over and maintaining them in the meantime?

Attorney General MEESE. The responsibility is in the Marshals Service.

Mr. ROGERS. What person or office?

Attorney General MEESE. There is a special asset management section within the Marshals Service which has been enlarged within the last year.

Mr. ROGERS. I would just point out that the Department, with its new tools for seizure, has been very aggressive in that field.

Attorney General MEESE. Yes.

Mr. ROGERS. And the stockpile of seized assets is growing enormously, and even when it was not growing enormously, we had a stockpile of $270 million worth of valuable products which were rusting and not maintained, and I am not sure that we have improved that much at this point in time.

But now, with the tremendously increased activities of the Department in seizing assets, that stockpile could grow to an enormous pile, and it is worth lots of money there.

Just looking at it from a fiscal sense, there are assets there which the government could desperately use, and I would hope that you could give us a more detailed report on the progress in improving the maintenance in this operation and the quick turnover of those assets.

Attorney General MEESE. I will be happy to do that, but as I say, we have to have the experience under the new law. The guidelines

and the procedures which were developed in response to the new law just went into effect during 1985. So, we really haven't had a chance to view the experience. But as soon as we have had that chance to evaluate the experience, I would be happy to share it with you and the committee. We think we have made major improvements, both in the process and in the results.

FUNDING FOR THE ASSETS FORFEITURE OPERATION

Mr. ROGERS. What are you asking in this upcoming fiscal year in relation to this fund or this operation? Are you asking any additional funds for the assets management fund?

Attorney General MEESE. The way that the assets management fund works is that the extraordinary expense fund, which I believe is $10 million, remains the same.

However, the normal management is taken off the top, as it were, of the resources, and at the end of the year we give a report on what that amounts to. So, it is not a matter of asking for it as a budget function. It is really a function of the activity which is reported at an end-of-the-year or after-action basis.

Mr. ROGERS. Are there funds in the Marshals Service that are appropriated for this operation other than the revolving fund monies?

Attorney General MEESE. There is $10 million for extraordinary expenses, but most of the money for the actual management comes out of the revolving fund.

Mr. ROGERS. Mr. Chairman, I have many other questions, but I assume my time on the first round is up.

ACTION ON VERTICAL RESTRAINT GUIDELINES

Mr. SMITH. Mr. Attorney General, last year a good many members of the Judiciary Committee and this committee both, as well as some other Members of Congress, were concerned about the vertical restraint guidelines that were published in January of 1985. They prevailed upon this committee to include in the appropriations bill language that expressed the sense of Congress that the guidelines did not meet congressional intent. The Senate agreed with that, and it was included in the bill. And so my question is, what action has the Department taken to comply with this provision?

Attorney General MEESE. Mr. Chairman, I think that the Department has continued in the course of the past year to follow the sense of the Congress in this regard, and its actions in enforcing the antitrust laws and handling vertical restraint guidelines has been consistent with the wishes of Congress.

ANTITRUST LEGISLATIVE PROPOSAL

Mr. SMITH. Also, the Administration recently submitted a package of legislative proposals with regard to mergers to Congress, and I know that Secretary Baldrige has been telling this committee for three or four years that he thought this was the right way to go, and there has been a debate within the Administration whether or not to accept this approach.

This is Administration policy, now, is that right?

Attorney General MEESE. Secretary Baldrige at one time advocated the repeal of Section 7 of the Clayton Act. The legislation which was ultimately developed as a result of the working group, passed as a recommendation to the President by the Domestic Policy Council, and then approved by the President doesn't go that far.

What we think we have is a compromise which, in effect, codifies the merger guidelines which the Department had issued previously, and which does provide a better basis for evaluating mergers in the sense of looking at the global economic ramifications of particular mergers.

Mr. SMITH. Do you think, or is it the position of the Administration, that the antitrust laws are a primary cause or just one of the causes of our trade problems?

Attorney General MEESE. I would suggest that they are one of the causes of the trade balance problems, but they are definitely a cause which can be easily affected. But I think that if we did not have the current merger guidelines in effect, which we are now asking to be codified, they would be even more of a problem as far as the trade balance is concerned and our ability to compete with other industrial nations.

Mr. SMITH. Eleven years ago, we had a positive trade balance, and we had these same laws that we have today. What has changed in that 11 years?

Attorney General MEESE. Several things have changed. Some of them are economic factors, such as the strength of the dollar and other things, but beyond that has been the growth of both major industrialized nations and other emerging nations which are able to compete, because of lower labor costs and other factors, on a much more aggressive basis than they have been in the past.

And one of the things, therefore, that we need to know is how our antitrust laws are being administered. We feel that they have to be administered in the light of a global question in which other nations are able to compete with some of our basic industries much more than they were a decade ago. So it is a realistic adaptation of the antitrust laws to the current economic conditions of international markets rather than a slavish limitation to just competition within the United States which has characterized antitrust law enforcement some years ago.

FOOD MANUFACTURING INDUSTRY CONCENTRATIONS

Mr. SMITH. There has been a recently released, rather comprehensive study of the food manufacturing industry. The study found that the profits were the highest among those that had the biggest market share, and that it was so correlated that it suggested that there must be some collusion in the highly concentrated food industries. Doesn't encouraging more mergers, then, result in encouraging higher costs to consumers or higher profits as a result of this?

Attorney General MEESE. Mr. Chairman, one of the purposes of the antitrust laws, and certainly in the enforcement practices of this administration, is to protect the interests of the consumers, and I would suggest that the ability to make profits in the food industry is due to the efficiencies which mergers have produced and

that this is an important part of our ability to compete on the basis of a world economy.

Mr. SMITH. How do you explain, then, those that have the highest concentration have the highest profits?

Attorney General MEESE. Just because of the efficiencies that the mergers, and so on, have been able to obtain.

Mr. SMITH. They must not be delivering their product at as low a margin, then, or they wouldn't have higher profits.

Attorney General MEESE. Not necessarily. Profits come from greater efficiencies rather than necessarily higher margins, and, so far as I know, in that study there was no indication that there was any actual evidence of collusion or price fixing or anything else other than the fact that they were able to achieve the efficiencies which normally come from the best possible organization of resources.

Mr. SMITH. Have you studied that?

Attorney General MEESE. I am familiar with it. I haven't made a detailed study myself, but our people in the Antitrust Division, I am sure, have.

Mr. SMITH. They were awarded the highest award for the statistical case that they made that there had to be collusion.

I know that you can't go to court just with that, but it certainly indicates that there is something wrong there.

Attorney General MEESE. I would be happy to have our Antitrust Division review again that particular report to see if there is any basis for further inquiry on our part.

PRISON CONSTRUCTION COSTS

Mr. SMITH. One other question. With regard to the prisons, this has been a problem that we have had. Mr. Early, especially, and others, have pointed out that there is just no way that we can provide the amount of prison space that is needed and pay $70,000 or $80,000 per prisoner for these spaces. We just can't do it. There is not enough money to go around, and that is new construction. We have just got to use surplus space somewhere and remodel it someway. To what extent are these proposals you have for 1987—to what extent do they include remodeling or cheaper ways of getting satisfactory prison space?

Attorney General MEESE. Mr. Chairman, the proposals we have, we feel, are the cheapest possible or the lowest-cost-possible method of expanding the prison system.

If you will notice, some of the funds are requested for remodeling and expanding existing facilities. Some proposals are for new construction at presently obtained sites—on that we are not just asking for monies, and then going out to find the sites. We have the sites in mind already, again, which is a matter of lowering the costs. And then, of course, the construction methods, we feel, are the lowest possible cost, but we are also on the lookout.

One of the things the Department has done very aggressively is to share information, both from and with other state and local correctional departments, so that we can get the best possible information as to how to lower construction costs, and Director Carlson has been particularly cognizant of how we can expand the facilities.

Part of the Cooperative Agreement Program is to enable us to put small amounts of money into local government, so we can get existing spaces for holding unsentenced prisoners in local communities. This is a very cost-effective way of expanding the facilities available for federal prisoners, and also saves a lot in operating costs, because the facilities are located near the federal courts, which cuts down considerably on the amount of money necessary for U.S. Marshals operations, bringing prisoners to and from court.

Mr. SMITH. I agree with that, but we have been putting in several million dollars each year to help them get those jails up to the requirements so they can hold Federal prisoners, and we keep getting it cut out of this budget.

Attorney General MEESE. I beg your pardon?

Mr. SMITH. It is eliminated in this budget.

Attorney General MEESE. No. We have money, additional monies, in the budget.

Mr. SMITH. It is only at $4 million, though, I am told.

Attorney General MEESE. Right, but we feel that is what is the appropriate amount for this particular fiscal year.

Mr. SMITH. We have been putting in more than that, and they have been lined up trying to get these jails up to Federal requirements.

Attorney General MEESE. Yes, sir. And it has been a very effective and cost-effective program.

Mr. SMITH. What is the cost per prisoner? Have you figured that out on these proposals for these new prisons?

Attorney General MEESE. You mean for the new construction?

Mr. SMITH. Yes.

Attorney General MEESE. Because there are various and different types of construction, I don't have the exact figures. I would be happy to provide that to you.

Mr. SMITH. Provide that in the record for each of the ones.

Attorney General MEESE. Right.

MR. SMITH. How much of the costs are——

Attorney General MEESE. For each of the categories.

[The information follows:]

FEDERAL PRISON CONSTRUCTION COSTS

The table below displays the costs, per bed, for the three Federal Correctional Institutions (FCIs) for which the Department requests construction funds in 1987. The per bed costs include both construction costs and site acquisition, preparation, and planning costs. When calculated based on design or rated capacity, the per bed costs are: Marianna, Florida FCI, $57,567; Bradford, Pennsylvania FCI, $70,429; and Sheridan, Oregon FCI, $66,650. This calculation, however, ignores the reality of overcrowding. If approved, when these facilities come on line, they obviously will share in the systemwide overcrowding. A conservative assumption of a 30 percent rate of overcrowing at tha. time provides for more meaningful cost assessment resulting in realistic per bed costs as follows: Marianna, $44,282; Bradford, $54,176; and Sheridan, $51,269.

FEDERAL CORRECTIONAL INSTITUTION [FCI]

	Construction costs				
	Total project costs	Rated capacity		Operating level (130 percent)	
		Beds	Cost per bed	Beds	Cost per bed
Marianna, FL, FCI	$43,175,000	750	$57,567	975	$44,282
1985 appropriation	3,500,000				
1987 request	39,675,000				
Bradford, PA, FCI	49,300,000	700	70,429	910	54,176
1985 appropriation	3,500,000				
1987 request	45,800,000				
Sheridan, OR, FCI	53,320,000	800	66,650	1,040	51,269
1984 appropriation	5,000,000				
1987 request	48,320,000				

The Department is acutely aware of the high cost of new construction and strives to keep the costs of the prison expansion program to the lowest level possible. New construction will continue to be a last resort as the Bureau of Prisons aggressively pursues less costly alternatives to reduce the critical level of overcrowding. The Bureau has an impressive record in this regard—27 new housing units funded adding 2,800 beds at existing institutions; and recent acquisitions of surplus facilities converted to correctional facilities increasing capacity by 1,435 beds (Loretto, Pennsylvania; Duluth, Minnesota; and Rochester, Minnesota). The Bureau of Prisons has expanded capacity to the maximum at virtually every existing institution except where service and support facilities are not adequate to support expansion.

With respect to the use of surplus facilities, it must be pointed out that while we have been able to convert such structures to excellent minimum security facilities, they typically do not lend themselves to conversion to facilities suitable for housing medium or higher level security inmates. Often the structures are wooden frame, barracks type structures not suitable for prison facilities in terms of providing adequate security, fire safety, or supervision. Use of such facilities to house inmates requiring security would compromise the safety of staffs, inmates and the surrounding communities. Moreover, the cost of conversion plus renovation often approaches the cost of a new facility.

STATUS OF MARIEL CUBAN DETAINEES

Mr. SMITH. Mr. Early.

Mr. EARLY. Thank you, Mr. Chairman.

Mr. Chairman, Mr. Dwyer had to go to an Intelligence meeting. But one of the questions that he was going to discuss with you was the problem of the incarcerated Mariel-Cubans who were currently occupying prison space in many states, including New Jersey.

At the present time, New Jersey is housing 166 Mariel-Cuban prisoners in its facilities. The estimated cost to the state is estimated to be $2,988,000.

New Jersey is estimated to lose $502,000 if the proposed 1986 rescission goes through. How is that fair?

Attorney General MEESE. Well, Mr. Early, what we are trying to do, again, we are trying to balance this between the States and the Federal Government.

It is my understanding that one of the things that is happening, also, is that these are being phased out. The number of Mariel pris-

oners is being phased out as they complete their sentences and are then being taken over in federal custodial institutions.

Mr. EARLY. Last year you stated that you anticipated completing a program to move the Mariel prisoners to no longer put a burden on local and State facilities.

You went on to state that, "We feel that all of the Mariel prisoners will be returned to Cuba or will be assimilated into federal institutions."

That is the reason why there was no line item for the purpose of putting it in the Fiscal 1986 budget. What has happened with that? What is the status of those prisoners?

Attorney General MEESE. We are still continuing to take those prisoners into federal custody.

One of the things that has been stalled somewhat is that our agreements with Cuba to return the Mariel prisoners to Cuba have been temporarily stymied because of an abrogation of that agreement by the Cuban government. But we are seeking to renew our negotiations with them so that we can continue to relieve the federal system of these prisoners. In the meantime, we are bringing these prisoners from state institutions into the federal system.

Mr. EARLY. Will you provide for the record how many Mariel prisoners were actually moved out of State facilities in 1985?

Attorney General MEESE. Yes, I will.

[The information follows:]

TRANSFER OF MARIEL CUBAN PRISONERS

In 1985, 1,004 Mariel Cuban criminals were moved from State and local facilities into INS custody; 484 were placed in the U.S. Penitentiary in Atlanta, Georgia and 520 were placed in INS custody in various detention facilities.

RESCISSION OF JUVENILE JUSTICE FUNDS

Mr. EARLY. Another cutback I have problems with is the juvenile justice program—which the Administration never funds, the Congress adds back, and there then is always a rescission request sent down.

Mr. Meese, on Friday, December 13, 1985, the same day that President Reagan signed H.R. 2965, this Subcommittee's bill, it is my understanding that the Justice Department, upon the informal recommendation of OMB, froze all funds for Juvenile Justice—OJJDP—for a 45-day period at the end of which time a formal rescission request came down. In fact, on December 19, 1985, the Senate passed Senate Resolution 278 in the effect to disapprove the freeze on the Juvenile Justice funds.

Would you care to comment? Some would say this informal freeze would be an impoundment of funds.

Attorney General MEESE. We do not feel it is an impoundment of funds, Mr. Early, in as much as we did go through the formalities of sending the rescission, which Congress will act on one way or the other, and which will ultimately dispose of the matter. But we felt it was only prudent, based upon the recommendations of OMB, not to expend funds.

What we did do was take anything that was in the pipeline and proceed with the funding of those grants, but for any other grants, in order to comply with Gramm-Rudman-Hollings, we felt it would

have been imprudent to try to shove the money out, and therefore, this withholding was necessary in terms of the deficit reduction.

Mr. EARLY. Just because the Juvenile Justice program is a congressional add on doesn't mean that it is wrong.

CONSTRUCTION OF A 24-HOUR COMMAND CENTER

I recently read that the Justice Department has spent $400,000 to set up a 24-hour command center that officials say will improve their response to hijackings, terrorist attacks and other emergencies.

Can you substantiate this, and if so, where does this appear in the justifications?

Attorney General MEESE. Actually, the $400,000 of construction was due to some other programs. That would not have been necessary simply for the command center, but was due to some other classified programs that I can't go into in a public hearing. But the command center was simply putting on a 24-hour basis the ability to contact the various command personnel within the Department.

It was a surprise to me when I came to Justice that there wasn't that capability there. Virtually every other department—the State Department, the National Security Council, the Defense Department, and others—have that capability, and for the top law enforcement department in the counry not to have that capability was a serious deficiency which we corrected at virtually no cost.

VALUE OF U.S. ATTORNEYS' EFFORT

Mr. EARLY. Mr. Attorney General, going back to what I think is probably excessive spending—where I have real trouble with the cuts is when they are in, let's say, not the sexy fields—the prisons, State and local training, or in juvenile justice. In appears that every one is taking a cut except the U.S. Attorneys. The U.S. Attorneys, after the sequestration, had $308 million last year. Your 1987 request is for $353,818,000. Last year we gave you 532 new people. In these budget justifications, I see a lot of personnel being moved around via this reorganization. So it is hard to really pinpoint that. I again suggest, Mr. Attoney General, that the U.S. Attorneys aren't giving us a dollar's worth for a dollar spent. I mean, they make the headlines through a big major crime conviction or whatever, but they don't have accountability in those other types of programs we talked about earlier. I really wish that at the meeting that you discussed will take place next week in Florida—you will tell them that there is some concern in Washington about getting a dollar's worth for a dollar spent with the U.S. Attorneys.

Attorney General MEESE. Mr. Early, quite the contrary. I have spent a great deal of my time, probably more than any other Attorney General in history, visiting the U.S. Attorneys' offices to see what is going on there, and I can assure you that we are getting more than a dollar's worth. We have people working many hours of unpaid overtime. We have the number of cases and the productivity in cases at an unmatched rate. We also are improving our management system. That is one of the requests that I mentioned in my testimony, so we can keep better track on the number of cases

per assistant in these offices, the amount of hours worked on the cases and so on.

So, I think what you are aiming for is exactly the same thing that I am very cognizant of as a matter of departmental management, and I really believe that we are on the right track and that productivity and the results of the U.S. Attorneys offices, as well as their accountability, is being vastly improved from what it has been in the past, and that the taxpayers are getting a very good return on the investment in these offices.

Mr. EARLY. I hope so.

Mr. Attorney General, in the Massachusetts case, when the jury came back 11 to one for acquittal, and the U.S. Attorney said he was going to retry before he even leaves the courtroom. Then the 12 out of 12 come back for acquittal. I think that U.S. Attorney should have been questioned and brought down. I really think that spending money involves judgement, and I think that was bad judgement.

Attorney General MEESE. You are talking about one isolated case in literally hundreds, if not thousands, of cases throughout the country, hundreds in a particular office, and as I say, this is something we watch very closely.

Mr. EARLY. It is this one case that I have spoken about, but I have had several letters from attorneys all over the country that suggest that the U.S. Attorney did not have a concern for what the costs involved in a particular case would be. I really think that it is a problem. But I am satisfied if you suggest to the Committee that you are looking into it and you are trying to get a dollar's worth for a dollar spent.

Attorney General MEESE. Thank you, Mr. Early.

We are very much so, and that is why we are looking at this. There has never been a case management evaluation system before in the Department, and that is why we need this financial and management information system, so we can keep track on a centralized basis of these kinds of statistics.

Mr. EARLY. In my 12 years here, Mr. Attorney General——

Chairman Smith and I are on two Subcommittees together. Labor, Health and Human Services spends a little more money, but it is hard to believe that anybody spends more money than the Justice Department. It appears that the department that is always given everything that they have asked for is the Justice Department. This Committee would just like to make sure that we get our money's worth.

Thank you, General.

Thank you, Mr. Chairman.

Mr. SMITH. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

I have two matters I would like to bring up.

One I would like to submit some questions for the record that you can answer in detail.

Attorney General MEESE. I will be happy to do that.

DEPARTMENTAL LEADERSHIP PROGRAM

Mr. ROGERS. Dealing with the Office of Department Leadership and the number of personnel there, I understand that you are supposed to have 56 employees there, and there are, in fact, 50, I think, officially listed. But I think there is about the same number of additional positions funded through other accounts, but on detail to that office. The conference report last year called for a detailed report on this subject. We got a letter from, I think, Mr. Wallace, which I was unable to decipher, and I would hope that you would be able to answer these questions for the record on that subject.

Attorney General MEESE. I will be happy to do that.

I might point out that Mr. Early has just asked us for better management evaluation and control, and that takes people to do it, and I hope you will understand that.

Mr. ROGERS. I understand that, but we want you to come to us above the board now, and not try to assign people from some other section and jimmy up the record so that we don't know what is going on.

Attorney General MEESE. We have been careful, I hope, Mr. Rogers, not to do that.

We will be happy to answer your questions for the record.

Mr. ROGERS. Thank you.

[Mr. Rogers' question concerning Departmental Leadership and the response follows:]

QUESTIONS SUBMITTED BY CONGRESSMAN ROGERS

ATTORNEY GENERAL

Department Leadership

QUESTION:

Please list the number of permanent positions and workyears, and the associated obligations within the Department's leadership offices as of February 28, 1986.

In his report to the Chairman, dated February 3, 1986, Assistant Attorney General for Administration Wallace stated that in addition to the employees authorized for Departmental Leadership, there are "various other employees accountable to the Office of the Deputy Attorney General . . . ." Please list all such positions and their associated costs as of February 28, 1986.

Are the costs of these positions reimbursable to other offices in the Department?

Please specify where these employees are assigned within the Department's leadership offices as of February 28, 1986 and the services they perform.

Please specify the offices in the Department which are the source of each of these positions.

Further in his report, Assistant Attorney General Wallace states that the salaries for these employees have been funded in the past from other sources in the Department. If these employees are in fact assigned to the Department's leadership offices, why are they not included in the calculation of total employees and new obligational authority in the Department Leadership budget requests?

Assistant Attorney General Wallace concluded his report to the subcommittee by stating that options would be evaluated to determine the need to "clarify the roles of these employees with respect to the Department's leadership offices." What are the results of his evaluation?

The conference report accompanying P.L. 99-180 noted that the Office of the Attorney General and other departmental leadership offices have employees in excess of their FY 1986 budget. The report stated "the conferees direct these offices to cease this fiscally unsound and unlawful practice immediately . . . ." Have the Office of the Attorney General and the other departmental leadership offices in fact ceased this practice? What actions have you taken to ensure that this situation will not occur again?

ANSWER:

The Department Leadership Decision Unit has four categories of personnel. The first three categories consist of employees in the Offices of the Attorney General, Deputy Attorney General and Associate Attorney General, who provide the executive direction function for the Department. Those offices consist of senior policy level officials and support staff related to the executive direction function. The

employees' activities are geared to the formulation and implementation of the Department's policies and programs that emanate from these offices. As of February 28, 1986, these offices had 47 permanent employees engaged in these activities. The number of employees engaged in these activities has not changed significantly since 1976. In the FY 1986 Congressional appropriation, a total of 56 full-time equivalents was assigned to those offices for those functions.

Beyond the third category of employees described above, a fourth category of employees has evolved (largely since 1982) that has been assigned to the same accounting codes as the three categories mentioned above. This fourth category relates to general administrative and support functions and special programs that relate to the Department as a whole. These offices have been associated with the Deputy Attorney General's Office in order to promote the effectiveness and visibility of the functions performed. These offices, with their permanent employee staffing levels, are the Office of Attorney Personnel (11), the Consolidated Administrative Office (17), the Executive Secretariat (10), the Drug Enforcement Policy Board representative (one temporary), and the law enforcement training programs (7). Specifically, the Office of Attorney Personnel exercises authority in matters pertaining to the employment, separation and general administration of all attorneys in the Department. The Executive Secretariat provides correspondence management throughout the Department. The Consolidated Administrative Office provides administrative assistance to the leadership offices and several of the smaller Department components. The Drug Enforcement Policy Board, established by the National Narcotics Act of 1984, represents the Department before the Board. Monitoring and establishing policies regarding the law enforcement training conducted or participated in by Department employees is undertaken by the remaining employees. As of February 28, 1986, the total number of permanent employees in this fourth category was 45.

The Executive Secretariat and Consolidated Administrative Office were established in 1982. Because these offices were assigned the same accounting code as that of the Office of the Deputy Attorney General, a cursory review of Department records might lead one to the inaccurate conclusion that the Department has overcommitted resources to the executive leadership function. However, as noted above, the number of employees in the core Executive Leadership has not changed significantly since 1976.

The Department has carefully reviewed the structure of the Department Leadership office and the management of the offices comprising this unit. Specifically, we have reviewed those offices that provide general administrative support to both the Leadership offices and the Department as a whole. We have determined that two realignments are appropriate. Specifically, the Consolidated Administrative Office and the Executive Secretariat will be placed under the same accounting code as the Justice Management Division.

The Department is committed to staying within the confines of resources authorized by Congress. Variations within a particular category in terms of full-time-equivalent employees intermittently during the year does not necessarily indicate departure from the amount authorized for the entire year. We will continue to monitor the expenditure of resources and related personnel costs to ensure compliance.

INS ADP CONTRACT

Mr. ROGERS. Now, the other matter deals with the automated data processing procurement in the Immigration and Naturalization Service. It is quite complicated and a little bit lengthy, but it is something I think we need to talk about.

In the late 1970's, INS wanted to become more automated, and they have had one problem or another since the early 1980's in the procurement of equipment for that program.

Their first attempts to solicit bids had to be withdrawn because of industry complaints that the specifics could only apply to IBM equipment.

In 1984, INS finally released an acceptable R.F.P. There were two bidders, IBM and EDS. A couple of weeks after the closing date for the best and final offer, INS personnel, contrary to regulations, met with IBM personnel, after the deadline for filing the best bid closed.

The IBM bid was then reduced after that late night meeting, by several million dollars, which made it lower than the EDS bid, and the contract was awarded to IBM.

EDS filed suit in civil court, and the court enjoined the sale. EDS also placed a protest with the GAO.

Nine days after the award was offered, IBM proposed and INS accepted major changes in the kinds of computers being bought.

The cost per computer climbed from $94,000 per unit to $392,000 per unit, and they even failed to get permission from GSA to change the procurement.

INS then decided to try to reach an out-of-court settlement, which in January 1985 they did. Performance of the contract was then given to EDS, but using IBM equipment, and the problems still go on.

The final cost of the contract was about $75 million, which was $10 million over the ceiling on procurement authority by the GSA.

GAO is also concerned that the total cost of the contract exceeds the amount which it should. The hardware and software in the contract is about 25 percent over the GSA schedule prices, whereas GSA normally finds that competitive ADP procurements, then, usually get prices about 30 percent below GSA schedules. And so on and so forth.

These highly suspect actions, I might say, raise many flags. Justice's internal auditors, the Justice Management Division and GAO, have all voiced great concern about the procedures and the price.

Nevertheless, the Department, so far, to my knowledge, has failed to take disciplinary action against anyone or to set aside the contract or to improve management, to prevent this things from occurring again.

Just recently, the Department announced that they were going to proceed with procurement under that contract for several deliveries, and they would renegotiate later portions of it.

So, I am quite concerned about that ongoing matter. INS has already accepted certain portions of the contract at excessive cost on a contract which was entered into, contrary to regulations.

Is the Department going to take disciplinary action against those involved?

When are you going to set aside that contract and renegotiate the whole thing so that everyone has a fair chance at the contract, rather than relying on the results of these late night meetings after the bids are closed. Would the General like to comment?

Attorney General MEESE. Mr. Rogers, I can't give you any personal response to the things that happened that you related which terminated or were completed roughly in January of 1985, since this occurred before I came into the Department. I do know since I have been in there, though, this has been a matter of great concern and interest to me.

It is my understanding, at least, that all of this matter has now been brought to a conclusion, which is in accord with what both GAO and GSA have thought is appropriate. I will get you a detailed response, if I can have a copy of the questions that you have submitted, so that we can give you a detailed response.

In addition to that, so that we can have future management of the entire electronic data processing, we have had a total reorganization and new personnel in the management positions within Justice Management Division, because both Mr. Wallace and I have been very dissatisfied with the overall approach within the Department. I have had meetings. We have created, for example, a Department Resources Board to provide more management attention to these types of things within the Department. I have personally said that during Fiscal Years 1986 and 1987 I want to see a number of data processing projects, including those in the INS, brought to a successful conclusion, so I can assure you that from a management standpoint the request that you are making for improved management controls have been instituted and are going forward.

But as far as the specific things that occurred in relation to contracts that were let prior to my coming into the Department, I will be happy to respond in writing to the questions you have raised.

CURRENT STATUS OF INS ADP CONTRACT

Mr. ROGERS. I must say that a lot of things have happened since you have been the Attorney General which would have given you the opportunity to set this thing straight.

Attorney General MEESE. And I think those actions have been taken.

Mr. ROGERS. According to the GAO, they have not.

Attorney General MEESE. I think, then, we perhaps have different information. That is why I would be glad to respond to you directly. It is my understanding that GAO is satisfied and that the contract situation now in regard to the INS equipment has been approved by GAO.

Mr. ROGERS. GAO, as late as yesterday, was not very happy about it.

Attorney General MEESE. I will be glad to look into it.

Mr. ROGERS. I say that since you have had the chance to correct this thing, it has not been corrected.

There have been meetings all through the fall into December of 1985 with your people, and there just doesn't seem to be an appropriate solution on the boards.

I would like to reiterate—and GAO reiterates this as late as yesterday—that the basic problem with the purchases to date under the contract—and I hasten to say that a portion of the contract has been executed—an ongoing portion is to be executed—but the basic problem with the purchases to date and the lease purchase payments for those that have been accepted so far is that you are preestablishing the architecture for an overall automatic data processing system.

And the 20 percent of the system now in place could govern what comes later, so we are getting into a set route here that it will be difficult to get out of inexpensively in the future unless action is taken now.

I would reiterate that GAO is not satisfied now, and they think the whole thing should be set aside and let the bidders have a fair shot at it from the beginning.

Attorney General MEESE. It appears, Mr. Rogers, that what GAO is telling you is different than the information I am receiving, so I will get to the bottom of it.

Mr. ROGERS. Thank you.

GUN CONTROL BILL POSITION

Mr. SMITH. You probably have a prepared response. You would be disappointed if I didn't ask you what your position is on gun control.

Attorney General MEESE. If you are referring to a specific bill, the bill known as S. 49——

Mr. SMITH. Right.

Attorney General MEESE. If that is your question, I have indicated whenever I have been asked, Mr. Chairman, that I have had S. 49, as it came out of the Senate, reviewed extensively by the lawyers for the Criminal Division of the Department of Justice, and many of the provisions which have been characterized in the news media are not nearly as detrimental as many of the characterizations have indicated.

However, I think there are provisions of the bill that could be improved, particularly the provisions relating to the obtaining of evidence from gun dealers. I think, also, the provisions relating to a self-defense exception can be improved to make sure that there is no confusion in what the law provides.

Mr. SMITH. Have you made recommendations as to those?

Attorney General MEESE. I would be happy to provide them to this committee. As I have indicated, the Administration would generally be happy to provide them, as I think they have been provided to one of the other subcommittees of the House. The Department of Justice, as you can understand, is not the principal administration spokesman on this subject. The Department of Treasury is, because the Bureau of Alcohol, Tobacco and Firearms is over there.

I regret that some members of Congress have tried to play games with this issue. That is why I will be happy to present our views to this committee.

Mr. SMITH. Your position, then, is that there should be a bill passed, but that amendments need to be made to the one that is being considered.

Attorney General MEESE. That amendments would improve the legislation presently being considered—but even if the bill in its present form were passed, it would not be catastrophic, by any means, such as some folks have represented.

[The following information was submitted subsequent to the hearing:]

U.S. Department of Justice

Office of Legislative and Intergovernmental Affairs

788:CHC:CL Bessie

Office of the Assistant Attorney General

Washington, D.C. 20530

FEB 26 1986

Honorable William J. Hughes
Chairman
Subcommittee on Crime
Committee on the Judiciary
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This responds to your letter of February 21, 1986, to the Attorney General concerning firearms legislation.

At the outset, let me make it clear that the Attorney General has met frequently with state and local law enforcement officials during the past year on a wide range of issues including firearms legislation. More recently, I met, together with other Department officials, with representatives of a coalition of law enforcement groups to hear their detailed concerns with S. 49.

We continue to support the compromise which S. 49 represents. Although there are several very minor drafting problems in S. 49, we are confident that these minor technical difficulties (such as the use of the term "in furtherance of" rather than "in relation to" in the mandatory minimum sentencing provision) can be easily corrected by Floor colloquies which supporters of S. 49 have agreed to initiate.

By way of background, I should note that our endorsement of the McClure-Volkmer bill was part of a larger compromise which included the support of firearms groups for legislation to ban the production or importation of armor-piercing ammunition (so-called "Cop-Killer Bullets") which we believe poses an unreasonable threat to law enforcement officers. But for that compromise, armor-piercing bullet legislation would still be hopelessly mired in controversy. In addition, we secured a series of very important amendments to the original McClure-Volkmer bill which alleviated our concerns as to the impact of that proposal upon law enforcement.

As introduced, the McClure-Volkmer bill would have significantly undermined law enforcement. Many of these problems were inadvertent and the amendments made to S. 914 of the 98th Congress and reflected in S. 49 have, in our view, corrected the major deficiencies of the original bill. While we regret that there is a difference of opinion between the Department of Justice and the coalition of law enforcement groups concerning S. 49, we simply do not believe that S. 49 poses the major problems that its opponents claim.

In conclusion, we do not believe that any worthwhile purpose would be served by our providing a witness at your scheduled February 27, 1986, hearing. The Department of the Treasury is the lead agency within the Administration on this issue.

Sincerely,

John R. Bolton
Assistant Attorney General

Mr. SMITH. With regard to these Philippine assets we have been hearing about in the last two or three days, is the Justice Department going to get into that?

Attorney General MEESE. Yes, sir. We are in it and have been in it from the start. As a matter of fact, we have a task force within the Justice Department representing our Criminal, Civil and Office of Legal Council divisions headed by the Deputy Associate Attorney General. They, in turn, are part of the overall Executive Branch working group which includes the State Department and the other agencies, including the Commander-in-Chief Pacific Forces who is the project officer for the government over at Hickam.

We have been very much alert to this. INS is also included in our working group, and we are following it very closely.

Our purpose is to make sure that the preservation of the assets is guaranteed so that if there are disputes as to any of the assets, they can be determined by a court of competent jurisdiction.

Mr. SMITH. Of course, there is a difference between the assets that were seized in Hawaii and the ones that are allegedly in New York or wherever they are.

There is a big difference. They would be handled differently.

Attorney General MEESE. They can be handled differently in as much as, at least in the New York case, they appear to be real estate assets which would be handled in the normal course of private lawsuits.

The government involvement in the Hawaii situation is much greater, of course, because some of these assets are actually in the custody, at least temporarily, of the Customs Service.

Mr. SMITH. Of course, nobody knows, I don't think, the extent to which various citizens of the Philippines who might get their hands on some assets are always trying to get what some other citizen of the Philippines has.

It has gone on for as long as I can remember. I spent eight months over there in World War II, and I am no expert on the Philippines, but I am at least interested. I know this has been going on for years and years, always looking for some excuse to grab somebody else's assets, and I assume that in this case, right or wrong, that whatever Philippine law is and whoever is in control, will in the end prevail. Is that essentially the way it works?

Attorney General MEESE. Mr. Chairman, I am not sure exactly, because we don't know all of the assets that are under consideration nor what the claims are at this stage.

I think what we want to be sure is that those assets for which the United States Government has any responsibility, including the temporary custody, are preserved so that appropriate action can be taken by courts of law, and also that the court system in this country can work in regard to any assets that may be physically located here, such as New York properties or other things.

We are trying to have a coordinated government-wide approach, and I think so far we have been very successful in making sure that any decisions as to assets goes through the full processes of the law.

Mr. SMITH. This is not going to involve a major allocation of your resources, though?

Attorney General MEESE. We have devoted existing personnel to make sure that it is coordinated. The primary responsibility will be through the U.S. Attorney's office in Hawaii at the present time.

Mr. SMITH. I see.

COOPERATION IN WITNESS PROTECTION PROGRAM

Mr. CARR. Let me lead off by saying that last year I asked you for some cooperation in dealing with requests I had about the witness protection program, and I am glad to say that your office was very helpful.

Although I haven't been able to devote perhaps as much time to the particular problem I have in mind as I would have liked and, in addition, don't really want to discuss it in an open, televised hearing, for some obvious reasons, I would again solicit your cooperation of your staff in continuing to pursue my concerns in this regard.

Attorney General MEESE. We will be happy to do that, Mr. Carr.

PRIVATIZATION OF JUSTICE PROGRAMS

Mr. CARR. Thank you, General.

I would like to first ask you a question about your testimony on page two, the second paragraph, where you talk about reducing expenditures and achieving other savings.

You say that you want to, "explore whether certain activities can be provided more effectively by the States or by private entities than by the government."

Yet, your statement doesn't expand on this privatization theme.

I wonder if I missed something or if you would care to talk a little bit more about that.

Give us some examples of what you have in mind.

Attorney General MEESE. Well, in some of the areas, in the Department of Justice, privatization has generally not as much applicability at this particular stage of our budgeting activity, but there are some of the juvenile justice programs, for example, which can be carried on by private agencies and private foundations rather than being funded by the Federal Government.

Mr. CARR. Could you be even more specific? What functions are we talking about? I know back in my home state of Michigan, and I represent, in part, the Lansing and East Lansing areas, there are a lot of people out there who have an interest in the juvenile justice program. And if they happen to be watching today, I am sure that they would like to know a little bit more about the cuts to this worthwhile program.

Attorney General MEESE. One of the areas that we found the private sector can help very much is in two particular programs.

One is the public-private partnership against alcohol and drug abuse, in which we not only have public resources, federal and local resources, but also we are stimulating a lot of private organizations, anti-drug abuse organizations and the like.

Another area is in the safe children area—child safety, prevention of crimes against children—private organizations are active in

this at the local level, and we are hoping through our public-private partnership to provide both information and also encouragement for greater activities.

In addition to this, in some of the operating programs of the Department, such as vehicle maintenance in the Immigration and Naturalization Service, we have found that contracting out is possible in some of the remote locations, rather than maintaining full service maintenance bases ourselves.

So, we are looking—and this is one of the things that the President emphasized in his budget message—we are looking for ways where it is more efficient to contract out or to utilize private resources.

Mr. CARR. I detected a theme, except for the last part you mentioned about vehicle maintenance, things like that, that you are talking about private nonprofit.

Attorney General MEESE. Yes, private nonprofit. For the most part, yes.

COMMUNITY ABILITY TO PROVIDE PUBLIC FUNCTIONS

Mr. CARR. I am not resisting that idea. I think private organizations ought to be encouraged as much as possible, As I indicated, I represent Lansing and East Lansing, Michigan—relatively affluent, very community conscious, community minded. And to back that community mindedness up, you have to have some resources in terms of getting private contributions to voluntary agencies, nonprofits, to do these kinds of things.

On the other hand, I also represent Pontiac, Michigan. Pontiac is a city with as much community public mindedness and spiritedness, but the resources just aren't there.

It is a poor community, and all the willpower in the world isn't going to generate some dollars to buy some telephones and maintain an office and maybe put the right person into the right slot.

As you are thinking about this, are you also thinking about the unevenness of private nonprofit—let's put it "financing"—out across America?

There doesn't seem to me to be a level playing field for a lot of communities.

Attorney General MEESE. Actually, we have found, Mr. Carr, that most communities do have more resources than many people anticipate, but we do take into consideration what you have said.

We have also tried, particularly, for example, in the public-private partnerships in regard to both safe children, and drug and alcohol abuse, to do things on a metropolitan-area basis, where often there are resources, particularly because of the interest in the private sector.

Many corporations that might have plants in relatively depressed areas nevertheless on a national basis can afford to contribute, and so the point you have taken about the occasional disparity in resources available is one of the things we have considered in trying to promote these partnerships.

Mr. CARR. I am glad to hear that, because while I think the emphasis on private nonprofit groups in some of these areas is very important, I do think that the Federal Government has the respon-

sibility to recognize that not every community has the funding available. Some communities just simply would have to do without programs.

FEDERAL-STATE-LOCAL LAW ENFORCEMENT RELATIONSHIPS

Similarly, I am a little curious about the relationship of the Federal role to local law enforcement.

You do give some examples here, and of course, the budget contains them—the cutbacks in the juvenile justice program, etc.

I can appreciate maybe you or somebody at OMB or even the President himself saying, "Well, these are things that ought to be picked up by the States."

But it also occurs to me from my own background as an old prosecutor that a lot of what happens in law enforcement today is a cooperative effort, and I can tell you that a lot of our local units of government are feeling under assault, and it is not just the Justice Department.

You may say, "Well, pick up the juvenile justice program yourself, the States and local units of government, pick them up yourself."

Well, that might not be too bad if that was the only program they were being asked to pick up, but across the budget spectrum the States and localities are being asked to do more and more and more. I suppose that isn't a great problem for them, if at the same time it weren't for the fact that the same administration, the same OMB, is saying, "Well, we don't want you to have revenue sharing, either, and we don't want you to have EDA and UDAG."

When you take one litle program, I think it is quite a different matter. We could have a discussion here about whether local police departments have to pick up a little more money when they send somebody to Quantico, and what you say in your statement can sound very reasonable.

On the other hand, the cities aren't looking at just that little thing. They are looking at the entire assault that they see.

STATE CONTRIBUTIONS TO FEDERAL LAW ENFORCEMENT

Now, suppose the cities and the states say, "Well, look, we are contributing to the overall law enforcement effort of the country. We feed information to the FBI and the Justice Department as much as we take out."

Suppose we start charging the FBI for the information we provide the FBI. Suppose we start dragging our feet and this scenario takes place: they say, "If everything is going to be on a cost-user basis, and the most appropriate level of government to pick up the tab, then the next time the special agent wants to call me up as a police chief and talk about a very serious and sensitive matter in my own local area, and I am not getting any help, and what help I am getting is getting reduced and reduced and reduced, and I hear from the mayor that we don't have any more revenue sharing, and I hear from the mayor we don't have a whole host of other things that we have had in this federal-local partnership; I am going to say, well, look, I, as the police chief, will be glad to take your phone call if you want to pay me and my men on an hourly basis

for the work that we do that generates data for the FBI's overall law enforcement.

"And if not, well, you had just better get some more FBI agents and come here and do it yourself, because I am busy keeping traffic separated, and I am busy running after petty burglars and a few other things.

"And you guys come swooping in here with your grand and very important drug cases or your organized crime stuff.

"We just don't have any time to give you any help, unless you want to pay for it." This could happen to local law enforcement.

Are we going to get to that kind of point where we nickel and dime one another?

I guess inherent in my editorial question here is that in the name of cost savings and efficiencies, local units of government are going to be nickeled and dimed to the point where they are just going to get fed up with the Federal Government, and then I see law enforcement, as it is connected together from a national standpoint, is really going to suffer. For today's budgetary gain, I think we are giving away a lot in terms of long-term law enforcement.

With the mobility that people have, the mobility that information has inherent in this society, this technological age, I think we all need one another, in this law enforcement battle, at least.

I guess what I am saying, Mr. Meese, is that I can appreciate the philosophical point of view of this Administration—one that I might not share—but respecting that philosophical point of view, that cities and counties and townships ought to be doing a little more than they have been doing, but not law enforcement—they are doing a lot!

I think that that is public safety. That is apprehension and conviction and penalizing criminals. I think this Administration has tried to be very strong on crime—at least the rhetoric is—but the dollars just aren't there.

And then undermining this local-federal relationship, I think, is really going too far.

MAINTENANCE OF LAW ENFORCEMENT RESOURCES

Attorney General MEESE. Let me just say, Mr. Carr——

Mr. CARR. You are entitled to a multiminute response, if you would like.

Attorney General MEESE. I think that while your concerns are understandable, in the law enforcement field they just simply aren't applicable to what has happened.

This Administration has not decreased funds for law enforcement. As a matter of fact, it has increased funds for law enforcement, partially to make up for what had happened during a previous administration where those funds were decreased and partially to increase the total resources that are available.

But we have the highest degree of cooperation, voluntary cooperation and cost sharing, between state and local government on the one hand and the Federal Government on the other, that we have ever had. We are talking now about some relatively unproductive programs that were included in the budget in the grant programs, which are being eliminated. But the major resources for

law enforcement, including the federal share of the cooperation, are being vastly increased. The number of DEA agents at the local level who cooperate with these local police have been increased.

The level of cooperation I hear every place I go, and I meet with police chiefs virtually every week, in which we hear that never before have they had greater cooperation. As far as information is concerned, I don't think any police chief is going to charge for information, because they receive far more information from federal officials than they give back in turn.

But it is a cooperative relationship, and I don't think anyone would claim that the Federal Government in this day and age is nickel and diming any police department or law enforcement agencies to get this, when the federal role, the national programs, whether it be in the National Institute of Justice or the Bureau of Justice Statistics or the Violent Criminal Apprehension Program or the other resources of the FBI, the laboratory services of the DEA and all of the rest of the things are available to a degree never matched.

In addition to this, through the forfeited assets program we are now sharing for the first time, due to legislation that this Administration obtained, we are sharing both vehicles, boats, and planes with local governments to take care of some of the capital costs of their own improved investigative resources, but also we are sharing funds from forfeited assets, so that we can pay the overtime and the additional costs that they incur in cooperating with the Federal Government in these joint investigations.

I can understand your concern. It just isn't one that I think is appropriate in the law enforcement area.

FUTURE OF LAW ENFORCEMENT COOPERATION

Mr. CARR. Just let me give you some feedback.

I understand that you have got a record of cooperation and can sustain that argument.

All I am saying to you, Mr. Meese, is that at some point, good will and soft side cooperation may become the victim of a continued assault, a financial assault, on State and local governments, and it may not happen all at once, and it may not happen in every community of the country.

There are some communities that are relatively more affluent, and can and probably should pick up more of the cost. But I can think of dozens of communities across America, where they may hit the breaking point financially, and then you are going to see cooperation really start to erode very, very quickly.

On the other hand, I guess I am saying public relations can get you a long way for a while, but I see communities that are being really drained from every front, and I think that the overall contribution to law enforcement may in the future suffer.

I hope we don't have to wait to see that, and I think one way to do that is to give some support.

You say in the juvenile justice program it is not very productive. I have to heartily disagree with that, and I don't want to overextend my boundaries here.

I would like to submit for the record here, Mr. Chairman, some things that the juvenile justice program—$1.6 million in the State of Michigan in Fiscal Year 1986—has done.

I don't know about you and your experiences as prosecutor, but my experiences as a prosecutor is, if you don't get these kids when they are young and you don't get them on the right course, and you don't deal with that today, you have got a crime problem for as long as that life endures.

It may be shoplifting at the local 5 and 10. If you don't nip that one in the bud, this is going to be your interstate car theft case in five years. It is going to be your major racketeering or drug case, federal case, and I think an ounce of prevention is worth a pound of cure, and I am really saddened at your use of the word "productive."

This is a very productive program, and I hope the committee will respectfully reverse your recommendation.

Attorney General MEESE. Well, Mr. Carr, let's not distort my meaning.

I said that relatively less productive programs in the juvenile justice field. I agree with you, and it always has been the responsibility of local government to nip juvenile crime in the bud. Indeed, we have been encouraging the local governments to do a better job in this in all of the training which we have increased in the federal law enforcement training center, which is the way in which we help local governments.

But I think if you will look at some of the funds from the juvenile justice, funding over the past years has not gone to handling juvenile crime, but too much of it has gone to consultants, to organizations that are totally unrelated to studies and to a lot of other subjects which have not been productive in terms of reducing juvenile crime. What we are trying to do is get the most effect for each dollar of the taxpayers' money invested, and at the appropriate level of government, and that is what our program is all about.

Mr. CARR. But I have to reject that on the other hand. You are not coming here with recommendations on how we tighten up the program, how we eliminate unnecessary consultants, how we eliminate unnecessary statistics.

You are talking about eliminating it.

Attorney General MEESE. That is how we do the unnecessary consultant.

Mr. CARR. Then, to me, you are saying, in budget numbers, you are saying the entire program is unnecessary.

Attorney General MEESE. No, we are saying at a time when the Federal Government has to proceed with law enforcement functions as its primary responsibility, at a time when we are increasing resources, much of which is used to cooperate with state and local law enforcement agencies, that there are some programs, necessarily, that you have to evaluate as to which are the most important and which are the least important, and that is what we have done in our budget.

Mr. CARR. I thank you, anyway, for your response.

Thank you, Mr. Chairman.

DRUG TESTING OF PAROLEES

Mr. SMITH. Mr. Early.

Mr. EARLY. Just one question, Mr. Chairman.

Mr. Attorney General, are you familiar with the drug testing that we do with our parolees that are drug users?

Attorney General MEESE. Yes, I am.

Mr. EARLY. Would you, for the record, supply us with how much that costs and how many we are testing and how effective you think it is. It really seems to me to be a good program that could be effective. For the record, in detail, if you will do that, please.

Attorney General MEESE. I will be happy to do that, Mr. Chairman.

Mr. EARLY. Thank you, Mr. Chairman.

[The following information was subsequently submitted:]

DRUG TESTING OF PAROLEES

The Administrative Office of the U.S. Courts reports that approximately $900,000 was spent for urinalysis testing for both parolees and probationers during FY 1985. Supervision of both parolees and probationers is the responsibility of U.S. Probation Officers, who are employees of the various U.S. District Courts. The monies involved for this testing are part of the budget of the Federal Judiciary and are not broken down between parolees and probationers. However, it is estimated that of those tested 60% are parolees and 40% are probationers.

The urinalysis testing for the program is done through contracts with two private laboratories: Pharchem Laboratories, Inc., Menlo Park, California; and Massey Medical Lab, Inc., Bridgeport, Connecticut. During FY 1985, approximately 195,000 specimens were tested. The number of tests had to be reduced during the fourth quarter of that fiscal year because of insufficient funds in the Federal Judiciary's budget. The average number of probationers/parolees who participate in the program each year is 6,244; there were 6,510 active cases on September 30, 1985.

As to the purpose and effectiveness of the program, it enables the Parole Commission to identify and respond appropriately in the case of offenders who have returned to the use of illegal drugs or the abuse of alcohol. Presently, the Parole Commission can revoke parole and reincarcerate the offender at the earliest indications of drug abuse before he or she becomes heavily involved in new criminal conduct. The Commission so acts for between 800 and 850 individuals per year for technical violations of parole. These individuals have not been convicted of new crimes, but many have reverted to the use of drugs. By intervening early, however, the Commission can remove drug abusers from the streets before the drug habit reaches the point that it can only be supported through criminal activity.

ADDITIONAL QUESTIONS FOR THE RECORD

Mr. SMITH. Thank you, Mr. Attorney General.

We will have more questions which we shall submit to you and you can answer for the record.

Attorney General MEESE. Thank you, Mr. Chairman.

I have enjoyed the opportunity this morning. I will be happy to answer any other questions which you might submit.

Mr. SMITH. The committee will recess until 2:00 o'clock.

[The questions and the answers submitted thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

ATTORNEY GENERAL

U.S. Trustees/Oversight of Bankruptcy Cases

QUESTION:

What efforts has the Department made to develop its legislative proposal to expand this program nationwide, i.e., to all 94 federal districts?

ANSWER:

In October 1985, the Department submitted legislation to the House to expand the program nationwide (H.R. 3664). Even before the legislation was introduced, cities were identified where new United States Trustees would need to locate their offices. These cities were chosen on the basis of experience with the pilot program and took into account such factors as location of the Bankruptcy Courts, caseload distribution, geographic coverage, and boundaries of the Federal Judicial Circuits. The Department proposes a total of 60 expansion offices to supervise cases filed in judicial districts added to the program under H.R. 3664. Additionally, budget estimates and detailed justifications are being developed, based on the cities to be served by the expanded program. In February 1986, the Advisory Committee for U.S. Trustees reported their recommendations to the Director, Executive Office for U.S. Trustees, on how to staff the expanded program. Also being developed is the administrative implementation plan for recruiting personnel, obtaining office space, furnishings and equipment.

QUESTION:

According to the justification, the Administration has proposed the consolidation of four sub-offices into existing larger offices in 1987. Offices scheduled to close are located in Portland, Maine; Camden, New Jersey; and Lubbock, Texas. Into which existing larger offices is the Department proposing that these offices be consolidated? What is the cost and/or management saving involved? What impact do you think this consolidation might have over the administration of bankruptcy cases?

ANSWER:

Each office named in the question is staffed with one or two employees in a small location some distance from the larger United States Trustee office. The Portland office cases will be handled by the Boston office; the Camden office cases will be handled by the Newark office; and the Lubbock office cases will be handled by the Dallas office. The management savings arise from eliminating duplication of overhead in expense categories such as office space rental, law libraries, supply inventories, and communications. The consolidation should have little impact on the administration of bankruptcy cases, because in each instance, field office professionals were required to supervise the cases and private trustees in the named locations and will continue to do so.

FBI/DEA Training Merger

QUESTION:

Has the Department given further consideration to moving or merging the DEA and FBI or their respective training programs at Glynco, GA and Quantico due to the continuing rise in drug-related crime?

ANSWER:

Yes, the Drug Enforcement Administration's training program has been relocated from the Federal Law Enforcement Training Center in Glynco, Georgia to the FBI Academy in Quantico, Virginia. The purpose of the relocation is to eliminate duplication of effort and improve the effectiveness of investigative operations of the two agencies. Benefits derived from the collocation include the availability of physical facility and equipment needs, diversity of required training environments, and access to forensic laboratory services, headquarters and top management.

Justice Assistance Programs

QUESTION:

Your budget request for the Office of Justice Programs reflects about $12.5 million in unobligated balances from carryover in FY 1986. In addition you are proposing $127,836,000 in rescissions from Justice Assistance Programs in FY 1986. What programs was the $12.5 million carried over from? Why are these funds not obligated?

ANSWER:

The proposed rescission of funds includes $60,79,000 from Juvenile Justice programs, $4,785,000 from Mariel Cubans, $8,007,000 from Regional Information Sharing Systems, and $61,077,000 from State and Local Assistance, for a total of $134,666,000. Of the total amount, $122,109,000 was appropriated in 1986 and $12,557,000 was unobligated carryover from 1985.

The $12,557,000 carryover includes $9,300,000 of funds originally appropriated for Juvenile Justice programs but reprogrammed for the State and Local Assistance program in accordance with the 1986 Appropriation Act, P.L. 99-180. That $9,300,000 was part of $12,226,000 deferred from March until July in 1985 while pending Congressional action on a proposed supplemental transfer to the U.S. Attorneys and Marshals appropriation. Since Congress did not act on that proposal until July 1985, there were only two months remaining in the fiscal year to obligate those funds. The 1984 amendments to the Juvenile Justice and Delinquency Prevention Act require a competitive process prior to the award of Juvenile Justice grants, therefore, two months is not sufficient time to plan and announce programs, receive and review applications, select grant recipients, and award the grants. The remaining $3,257,000 of $12,557,000 unobligated balances proposed to be rescinded is unused State and Local Assistance funds. The obligation of these funds was somewhat delayed by the appointment in August 1985 of a director for the Bureau of Justice Assistance, who administers this program. The internal review process was placed on hold pending the consideration and review by the new director who then instituted a revised review process.

QUESTION:

It is also my understanding that there are several bills before Congress that deal with the increased incidence of missing children. Many of these proposals would amend the Juvenile Justice and Delinquency Prevention Act in an effort to provide states with assistance to establish or expand clearinghouses to locate missing children. How would doing away with Juvenile Justice impact on the Department's efforts to locate missing children?

ANSWER:

The elimination of the programs authorized under Title II of the Juvenile Justice Act would have little if any impact on the Department's effort to locate missing children. The Missing Children's Assistance Act (Title IV of the Juvenile Justice and Delinquency Prevention Act, as amended) has a $4 million appropriation which is separate from the $67.6 million Title II program appropriation for the Juvenile Justice Act. Funding of the Missing Children's Program is authorized through FY 1988 at the $4 million level.

QUESTION:

According to a February 28 Washington Post article, the Justice Department awarded $186,710 to a prominent conservative activist and a dean at "the Rev. Jerry Falwell's Virginia university" to write a course on the Constitution. Yet this OJJDP grant comes during a freeze on most of the $70 million budget. What criterion does the Department use to award these grants? Is it also true that the organization awarded this grant is running into trouble over a $337,000 grant from the Legal Services Corporation?

ANSWER:

This grant comes under the Law Related Education Program which is specifically mandated in the Juvenile Justice Act (Section 224(a)(6)), and which both House and Senate Appropriations Committees have directed us to fund. The application underwent peer review (in accordance with the JJDPA) which determined the application to be of such outstanding merit that the award of a grant without competition was justified.

The Director of the OJJDP grant, Mr. James McClellan, is associated with a grant funded by the Legal Services Corporation. However, it is not the same organization that OJJDP funded. Strict monitoring procedures and grant specifications should ensure that problems similar to those encountered in the Legal Services Corporation grant do not occur in the OJJDP grant.

Drug Enforcement and DEA

QUESTION:

Last year we discussed the growing emergence of designer drugs. What strides or efforts has the Department made in the effort to curtail this growing problem?

ANSWER:

Our response to the problem of controlled substance analogs (designer drugs) has included legal, legislative, enforcement, tracking, educational and monitoring initiatives. The following is a brief discussion of our activities in each of these areas.

Legal and Legislative Initiatives

Both the traditional and emergency scheduling provisions of the Controlled Substances Act (CSA) have been used to place many of the controlled substance analogs under this statute. The first of the narcotic analogs, alpha-methylfentanyl, was placed into Schedule I of the CSA effective September 22, 1981 using traditional scheduling procedures. Since April 1985, the emergency scheduling provisions of the CSA have been used five times to temporarily place ten fentanyl analogs, two meperidine analogs and MDMA into Schedule I. These scheduling actions have provided the legal basis for law enforcement personnel to arrest a number of individuals for the manufacture and distribution of these substances and to disrupt several major clandestine laboratory operations.

Despite the effective use of the emergency scheduling authority and subsequent successful enforcement actions, there remain individuals who continue to evade the law by producing and distributing new analogs faster than they can be controlled. This fact demonstrates that effective action against these analogs cannot be based on the individual substances themselves. Rather, we must focus on the act of manufacturing and distributing these substances.

Legislation drafted by the Department of Justice in coordination with the Department of Health and Human Services takes this approach. Specifically, the proposed legislation would make it unlawful to manufacture with the intent to distribute or distribute a controlled substance analog for human consumption, unless such action is in conformance with the new drug approval provisions of the Federal Food, Drug and Cosmetic Act. The term controlled substance analog means a substance that has chemical structure substantially similar to that of a controlled substance in Schedules I and II or that was specifically designed to produce an effect substantially similar to that of a controlled substance in Schedule I or II. Maximum penalties for manufacture or distribution are a fine of $250,000 and imprisonment for 15 years. This legislation entitled the "Controlled Substance Analogs Enforcement Act of 1985" (S.1437) was passed by the Senate on December 15, 1985. Identical legislation was introduced into the House as H.R. 2977.

Law Enforcement Initiatives

DEA has and will continue to pursue investigations aimed at the arrest of distributors and manufacturers of controlled substance analogs once the drugs are placed under the CSA. The emergency scheduling of 3-methylfentanyl in April 1985 enabled DEA to pursue criminal investigations against those believed responsible for producing fentanyl analogs. Two clandestine laboratories in California and one in Delaware which were producing fentanyl analogs have been disrupted as a result of these investigations. Several distributors of 3-methylfentanyl in California have also been arrested and the chemist arrested in the Delaware laboratory case was

recently sentenced to 18 years in prison after he pled guilty to two counts of manufacturing and distributing analogs. Since the emergency control of MDMA on July 1, 1985, DEA has made arrests fo major distributors of MDMA in several States, seized over 50,000 dosage units of MDMA and intercepted a clandestine laboratory operation destined for Mexico. Several other MDMA laboratories believed to be making MDA were disrupted in the last few years.

Investigations of laboratories producing methamphetamine and PCP in 1984 and 1985 resulted in the immobilization of two meperidine analog laboratories in California and Texas. The operators of the Texas laboratory, who were arrested, convicted and imprisoned, are believed to be responsible for the production of the meperidine analog and by-product which caused the Parkinsonian syndrome in seven individuals in 1982. Criminal investigations and prosecutions will continue and be used whenever possible. The Controlled Substance Analog Enforcement Act of 1985 will enable these investigations and prosecutions to be undertaken whether or not a controlled substance analog is listed in one of the schedules of the CSA.

Tracking Chemicals

Controlled substance analogs are produced in clandestine laboratories by individuals using chemicals which are available in commercial channels. The Drug Enforcement Administration has maintained an active voluntary precursor control program since the early 1970's. This program, which provides for the voluntary reporting by chemical companies of unusual purchases of precursors, chemicals and reagents, has been successful in providing investigative leads that have resulted in the disruption of numerous clandestine laboratories. The precursors and reagents needed to manufacture fentanyl, meperidine and hallucinogenic amphetamine analogs have been placed on the precursor watch list.

Despite the successes of the voluntary precursor control program, clandestine laboratory operations appear to be on the increase and clandestinely produced substances continue to contribute to the drug abuse problem. DEA is reveiwing existing programs and is assessing the need for additional controls and programs designed to keep key precursors and essential chemicals out of the hands of prospective chemical manufacturers.

Educational Programs

Educational efforts regarding controlled substance analogs must be directed at the law enforcement and medical communities and the general public. These efforts must stress the often unknown nature of these substances and the unpredictable yet potentially serious health consequences from them. Specific examples of the deleterious effects of several of the controlled substance analogs should highlight all educational programs.

DEA has included controlled substance analogs in its overall clandestine laboratory training programs for law enforcement personnel. Clandestine laboratory investigations provide the greatest potential health hazards to law enforcement personnel. Emphasis is placed on the need to follow established general safety precautions when investigating all clandestine laboratories. Additionally, specific safety precautions are required when potential controlled substance analog

laboratories are entered. Although the dangers from incidental exposure to these substances are not fully understood, it must be emphasized that such dangers may exist and they must be prepared for. DEA has initiated programs to provide for more frequent and comprehensive medical examinations for agents and chemists, general and specialized safety equipment for use in clandestine laboratory investigations and the availability of information concerning the chemicals and their associated hazards used in the clandestine production of controlled substance analogs. This information is disseminated to non-federal law enforcement and other officials through ongoing clandestine laboratory and controlled substance analog training sessions and written materials.

In most cases, there is a paucity of information regarding the specific hazards and toxicities of controlled substance analog. Once a new substance is identified, studies need to be undertaken to determine the risks attendant to the intentional use of or inadvertent exposure to such substance. Moreover, a mechanism must be established to ensure that only reliable, scientifically valid information regarding these health risks is disseminated to appropriate people. To this end, the Centers for Disease Control (CDC) has proposed to create a working group composed of law enforcement, public health and forensic personnel to assimilate and distribute pertinent information.

The Department of Health and Human Services through several agencies of the Public Health Services has conducted research and provided information and assistance to the medical community, State and local authorities and the general public regarding the health-related problems of controlled substance analogs. Public Health Service funded researchers made important contributions to the early identification of MPTP and the development of the animal model for Parkinson's Disease, determined that MDA and MDMA are neurotoxic substances and conducted abuse liability studies on several of the analogs. DEA has provided the National Institute of Drug Abuse (NIDA) with $50,000 specifically to synthesize several controlled substance analogs for biological testing.

Educational efforts directed at the medical community focus on the special health hazards of each analog, the symptomatology associated with their use, and the diagnosis and treatment of the conditions brought about by the use of these substances. MPPP/MPTP users at emergency rooms were initially diagnosed as catatonic schizophrenics and drug use was not considered a cause. Once the relationship between MPPP/MPTP use and Parkinsonism was established, the diagnoses were changed and a different course of treatment selected. NIDA has notified the medical communities of the hazards, symptoms and treatment of MPPP/MPTP use. Reports on these and other controlled substance analogs were published in medical journals such as the Journal of the American Medical Association. The Public Health Service sponsored a symposium for science and medical professionals on the toxicity, pathology and epidemiology of MPTP. Drug abuse treatment centers have been alerted to the health hazards attendant to the use of controlled substance analogs and their personnel, in turn, disseminate this information to the drug using populations.

The general public also needs to know about the hazards of controlled substance analogs. However, controlled substance analogs should be

viewed as only part of the overall drug abuse problem, and at present, a relatively small part. Efforts are continuing by NIDA and DEA to educate the general public, particularly our nation's youth, to the deleterious effects of drug abuse in general. Where appropriate, specific information regarding controlled substance analogs is included in material disseminated. Media reports on the hazards attendant to the use of these substances have been contributed to by government officials. The primary theme which must be stressed in talking about these substances to the public is the unknown and unpredictable nature and toxicities of these substances and the potentially serious health consequences for those who choose to take these unknown analogs. The CDC has requested funding to set up a pilot study to identify controlled substance analog users and strategies to prevent further use of these drugs.

Controlled Substances Analogs Monitoring

Existing drug abuse data systems indicate that the incidence and prevalence of the use of controlled substance analogs has not been large. However, many of these analogs are difficult to detect and in some cases, traditional data sources may need to be supplemented. Special epidemiological studies and the community epidemiology work group are examples of such supplemental data sources. The CDC, in collaboration with NIDA and California authorities, has been involved in an epidemiology study to locate individuals exposed to meperidine analogs. Once identified, these individuals are referred for treatment and follow-up. This program, however, is limited to meperidine analogs in Northern California. The Department of Health and Human Services has requested funding for 1986 for the CDC to continue and expand this work. This funding is also intended to provide toxicology assistance to hospitals, drug abuse clinics and forensic scientists to detect and report findings of controlled substance analogs. DEA's State and local forensic laboratory program would also contribute to such a monitoring program.

Controlled Substance Analog Conference

The Drug Enforcement Administration is sponsoring a Controlled Substance Analog Conference to be held in San Francisco in June. This conference will bring together experts from Federal and State governments and from the private sector to discuss the most important aspects of the analog problem. Topics will include health risks and epidemiology, public and professional education, identification and detection of analogs and the law enforcement and legislative responses to the analog problem. The goal of the conference is to develop specific recommendations for additional Federal and State actions to curtail the spread of the controlled substance analog phenomenon.

QUESTION:

Mexico has become the largest exporter to the U.S. of heroin and perhaps of marijuana according to a recent State Department report on worldwide drug production. The report also states that the kidnapping and murder last year of DEA agent Camarena has heightened the corruption there. Has the DEA increased its resources towards Mexico due to these problems?

Recent newspaper articles maintain that some U.S. officials believe that Miguel Gallardo, the fugitive drug trafficker wanted for the slaying of Camarena, is continuing his rather flamboyant lifestyle openly in Mexico. What increased efforts has the Department made to pressure the Mexican Government to solve the Camarena slaying?

ANSWER:

DEA is taking the necessary steps to increase our manpower along the border. But this is only one aspect in the overall policy to deal with the Mexican problem. In a coordinated effort with the Government of Mexico, DEA has increased its agent manpower in Mexico by eleven new agent positions. To date, nine of these eleven positions have agents in the process of transferring to Mexico to fill them. Agents for the other two positions are expected to be selected within the next two weeks.

We are currently working very closely with the Mexican authorities in their campaign to eradicate opium and marijuana cultivation in Mexico. Our agents are reporting the locations of opium and marijuana fields to the eradication authorities for destruction. Our agents, with Mexican authorities, then fly reconnaissance flights to verify the destruction of fields. We are beginning to see more success now than we have in the past in this area.

DEA continues to meet periodically with high level officials of the Mexican Attorney General's Office to ensure that the efforts of both countries in attacking the narcotics problem is a coordinated effort and attaining maximum results. In fact, the latest meetings with these officials took place during the weeks of February 24-28, 1986, and March 3-7, 1986, here in Washington, D.C. DEA has input in the meetings between the Attorneys General of Mexico and the U.S. The next of these meetings is scheduled for April 14-15, 1986, in Cancun, Mexico.

There is still more to be done however. DEA is not satisfied with the progress being made in the Camarena investigation. We are concerned that it has been over a year now and not one person has been brought to trial on the abduction and murder of SA Camarena. Moreover, other traffickers implicated in the death of SA Camarena, such as Miguel Angel Felix Gallardo, have continued to evade arrest by Mexican law enforcement authorities. We have made these concerns known to the appropriate individuals.

DEA has established a Task Force composed of DEA agents to work the Camarena case exclusively. Our investigation in this matter continues.

United States Marshals

QUESTION:

What increased federal enforcement and investigative efforts has the Department initiated in response to increased activity by extremist groups such as the Posse Comitatus and the Aryan Nation?

ANSWER:

Included among the actions initiated by the U.S. Marshals Service (USMS) in response to increased activity by certain extremist groups are the following:

- The establishment of the Threat Analysis Group, which is responsible for supporting all USMS operations by providing intelligence and assessments used in connection with threats against those under our protection or against our own personnel.

- In 1985, the Service established the position of Threat Coordinator in each of our district offices, thus centralizing certain duties related to our ability to prepare for and counter serious threats.

- We are continuing to improve on the specialized training for our personnel in countermeasures to be used against the tactics employed by such paramilitary groups.

Crime Victims Fund

QUESTION:

I recently received notice that the Office for Victims of Crime under the Office of Justice Programs recently awarded $972,000 to the Massachusetts Victim/Witness Assistance Board to help support state and local agencies that provide services for crime victims and their families. As this is a relatively new program, could you expand on any feedback the Department has received thus far?

ANSWER:

A Crime Victim Assistance grant in the amount of $972,000 was awarded to Massachusetts on February 13, 1986. The Massachusetts Office for Victim Assistance publicly announced the availability of these funds to all the State's victim service agencies and invited letters of intent in January and February, 1986. Ninety-six proposals were submitted and reviewed by the Victim/Witness Assistance Board and 31 were selected for funding. Subgrant activities are scheduled to begin July 1, 1986.

Assets Forfeiture Fund

QUESTION:

I was pleased to see that the Marshals Service estimates that total receipts to the Assets Forfeiture Fund in 1987 will amount to $150 million, which represents a $20 million increase in receipts over FY 1987. Again, I would like to commend you on this cost-effective program. How do you generally dispose of forfeited assets?

ANSWER:

The primary options available to the Attorney General with regard to the disposition of forfeited property are: (1) to retain the property for official use; (2) to transfer the property to an assisting State or local law enforcement agency; (3) to sell the property; or

(4) to destroy the property (such as contraband). The Assets Forfeiture Fund makes sufficient amounts available from the proceeds of sales to pay the necessary expenses to seize, detain, inventory, safeguard, maintain, advertise or sell the property under seizure or forfeited under any law enforced or administered by the Department of Justice. The particular method of disposal used by the Marshals Service will depend on the category and condition of the property, and may also be governed by other facts pertinent to a particular case, such as the statute under which the property was seized. Under the guidance of the National Assets Seizure and Forfeiture (NASAF) program staff at USMS headquarters, the U.S. Marshals enter contracts on a case-by-case basis with auctioneers, brokers, and other appropriate commercial sales organizations to dispose of property forfeited in their districts. The NASAF program staff provides technical advice and assistance to these Marshals to ensure these services are performed in the most efficient and costeffective manner, thus maximizing returns to the Government.

Affirmative Action Programs

QUESTION:

Mr. Attorney General, would you briefly describe your own policy towards the use of goals and timetables to promote or facilitate affirmative action programs? Has the Justice Department taken a formal position on this?

ANSWER:

The Administration is clearly against the use of numerical goals and fixed timetables to "facilitate" affirmative action. When the term "affirmative action" includes racial goals, quotas or set asides that, by design, prefer certain individuals over others because of skin color -- not only law and policy, but also moral values are insufferably offended.

Instead, affirmative action is discriptive of recruitment and outreach efforts designed to embrace those who had previously been ignored, or purposefully excluded from consideration, and thus effectively denied any opportunity to participate as individuals in the competitive employment process. In summary, no action that discriminates on account of race, as well as gender, ethnic origin and religion can be affirmative.

QUESTIONS SUBMITTED BY CONGRESSMAN BOLAND

ATTORNEY GENERAL

Drug Enforcement

QUESTION:

The war against the traffic in illegal drugs has been an Administration priority for the past four years. How, in your judgment, are we doing in that war? What will it take in terms of resources for us to do better?

ANSWER:

The "War On Drug Trafficking" has been a major priority of this Administration. Considerable resources have been devoted to it as well as substantial attention government-wide. It is an effort which requires long-term commitments, long-term investments and long-term institutional changes. The Drug Enforcement Administration (DEA) has undertaken many of these long-term initiatives.

Specifically, DEA is taking very deliberate steps to judiciously seize the assets of those trafficking in illegal drugs. In 1985, DEA seized $220 million from drug trafficking organizations, almost 60 percent of our 1986 budget.

DEA is working this year to establish asset removal teams in each of its 19 field divisions. This will establish financial investigations as a regular element of our drug investigations and overall drug law enforcement effort.

DEA is also making long-term commitments to the ADP and Telecommunications Systems upon which it relys for integrated enforcement, intelligence, diversion control and management. By relocating training functions to the National Academy in Quantico, DEA has begun to institutionalize and further professionalize Special Agent training.

In the area of enforcement, DEA is pursuing long-term investigations such as Chem-Con, Stop Prop and Pipeline, which require substantial resources and time but which yield far greater returns than investigations of the past. DEA is also devoting considerable resources to precursor controls and clandestine laboratory activities--in a sense doing just what foreign governments are asked to do--concentrate on the source of the illicit drugs.

To further substantiate these long-term efforts, which are the best tools we have to deal with the drug problem, DEA has developed a three-year strategic Plan. This plan sets forth what we hope to accomplish by the end of 1988 and to achieve it by making the most effective use of our resources.

QUESTION:

As you know, this committee has supported the creation of the Federal-state-local task force program to aid in the fight against illegal

drugs. What is your assessment of that program's ability to complement the activities of the DEA? Has it been a cost effective program and should it be continued?

ANSWER:

DEA's State and Local Task Forces are an integral part of its operations. For over twelve years, they have realized significant achievements, and promoted improved cooperation between Federal and local law enforcement agencies. Total State and Local Task Force arrests have consistently represented 16 to 25 percent of total DEA arrests.

Consistent with the President's federalism initiative, we now view the Task Forces as a vehicle for leveraging the efforts of State and local narcotics officers, with a relatively modest investment of Federal resources, in an effort to bridge the gap between traditional street level investigations and the more complicated investigations of organized drug trafficking. From 1976 to 1985, the percentage of Class I and II arrests made by the State and Local Task Forces and the percentage of Task Force convictions have doubled. These statistics reflect the program's policy shift from a State and local assistance program to an extension of the Federal drug enforcement mission.

In addition to being a valid enforcement tool, the use of State and local resources for Task Force operations is a cost-effective mechanism for maintaining productivity during times of Federal fiscal restraint. A recent review of the State and Local Task Force program which we conducted for OMB demonstrated that Task Force personnel cost $46,000 less per person annually than the typical DEA-assigned agent.

Artificial Intelligence Techniques

QUESTION:

Your statement supports a request of $12 million to assist the FBI use of artificial intelligence (AI) techniques as an investigatory tool. Could you explain that program in more detail? What do you expect it to add to the FBI's capabilities and what do you expect the full cost to be?

ANSWER:

In 1984, FBI Director Webster approved an initiative to apply AI to support several high-priority investigative needs. The FBI plans to apply AI in the form of knowledge-based expert system techniques to selected priority investigative programs involving labor racketeering, narcotics intelligence processing and counterterrorism. An expert system is a computer program which includes knowledge acquired from subject matter experts, such as criminal investigators, which consequently can perform at or near the level of a human expert. Developing an expert system involves eliciting functional knowledge and expertise from substantive experts in specific areas of interest; codifying this knowledge into a form (logic rules) which can be processed by a computer; and developing an operational information system combining rules, investigative data and additional logic to

draw inferences about the subject matter (e.g., linkages among terrorist groups, likelihood of La Cosa Nostra involvement in union pension fund fraud, identification of aircraft in narcotics smuggling) and to explain automatically the chain of data and logic leading to the outcome.

The FBI has contracted with the Institute of Defense Analyses (IDA) for the development of expert system capabilities to support critical investigative needs. Funding requested for FY 1987 will support the Law Enforcement Support (LES) task which focuses on the following high priority areas:

- A knowledge-base system containing heuristics (which are derived through interaction with designated experts) and facts (which are derived from existing data bases) to support the investigation of labor-racketeering.

- An expert system to perform real time analysis of drug intelligence to support the interdiction of vessel and airborne drug traffic as well as the effective use of available drug intelligence should interdiction fail.

- An expert system to support counterterrorism efforts.

Each initiative is viewed as part of, or a supplement to, existing investigative support systems. For example, the expert system to support management and operation of the FBI's Labor-Racketeering Program will actually be embedded within the Organized Crime Information System (OCIS) and will operate on, search names and retrieve investigative data from the OCIS data base. Included in each AI initiative is the codifying of name search rule-based techniques to retrieve information from the large investigative data bases.

AI systems developed by the FBI will preserve expert investigative knowledge from experienced Special Agents who retire and provide the same knowledge to new Special Agents. The systems will operate on existing large data bases where current retreival and access capabilities are unsatisfactory. Preliminary prototype for the above initiatives have demonstrated that these expert systems will be of a practical benefit to the FBI's investigative programs. The first version of the Labor Racketeering Expert System will be applied this year in a major investigation. Special Agents will be capable of performing advance analysis activities in a timely manner with these systems.

Because the FBI believes that law enforcement and intelligence activities are particularly well suited to the application of AI technology, the FBI plans to integrate AI throughout its data processing environment. The current strategy calls for the following agenda of AI initiatives to be integrated through 1991.

AI Initiatives	Cost Through 1991 (In thousands of Dollars)
Law Enforcement Support	$12,000
Personnel/Payroll/Decision Support	13,500
IIS/FOIMS Integration	8,000
FOIMS Case Management	2,000
Counterterrorism	2,800
Crisis Management	4,500
FOIMS Operational Support	4,800
FOIMS Embedded Training	3,000
ADPT Security	6,000
Hostage Rescue Team	2,300
White Collar Crime	4,000
Organized Crime	4,000
Computer Crime	4,400
Surveillance	1,750
Crime Scene Analysis	2,250
	$75,300

Federal Prisoner Population

QUESTION:

Your statement touches on the explosive growth of the Federal prisoner population over the last five years, and it mentions the new facilities you plan to open, or begin construction of, this year to deal with that growth. I note that your budget requests only 19 new positions for institution security. Are we going to be able to adequately staff our new and existing prison facilities with the positions you've requested? What are your projections of future needs in this area?

ANSWER:

The 19 security positions in the Federal Bureau of Prisons' 1987 budget are requested to provide staffing for new inmate housing at three existing institutions, and are adequate for that purpose. The three new Federal Correctional Institutions for which construction funds are requested in 1987 will not be completed and ready for activation until 1988 and 1989. The positions required to open and operate these facilities will be included in the budgets for the years in which they are activated.

Foreign Counterintelligence

QUESTION:

I was pleased to note your request for increased resources for the FBI's foreign counterintelligence program. Has the seeming wave of recently disclosed espionage cases caused any concern on your part about the operation of this program by the Bureau?

ANSWER:

The number of arrests and convictions arising from the FBI's counterintelligence operations during the past year is an indication of the health of the FCI Program.

These cases include long-term investigations initiated through source reporting. Such investigation require discreet handling of information over long time periods and careful coordination with outside agencies.

Other cases require intensive investigations of relatively short duration. These investigations draw heavily upon our resources and involve virtually every investigative technique available to us. Our success in the Walker investigation demonstrates our ability to meet this particularly difficult challenge.

Investigations resulting from basic counterintelligence coverage reporting pre-empted the loss of highly sensitive information to the hostile intelligence services. While these investigations lasted only a matter of weeks they required a quick response with the requirement for specialized skills. Personnel and technical expertise were essential in these cases.

Rather than causing concern about the FBI's FCI program these case illustrate its health and vitality.

Effect of Gramm-Rudman Cuts

QUESTION:

Your statement indicates that you have planned for the 4.3 percent reduction for FY 1986. Could you tell the committee precisely how those cuts will be absorbed? I am especially interested in the impact of those cuts on the support services in the FBI which you have identified as a critical need.

ANSWER:

Under the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985, each Departmental program will be reduced 4.3 percent. These reductions will be accomplished mainly through cuts in discretionary spending (for example, deferring capital expenditures), through management and productivity improvements and through control of hiring programs. Since the Department is largely personnel oriented, the largest cuts will probably be achieved through hiring controls, that is, through hiring freezes and delays.

Where the cuts cannot be absorbed by these measures, the Department plans to request reprogramming of funds to higher priority programs. These reprogramming requests will provide details of the effect of the sequestrations as well as proposing alternate sources of funds. At this time, the Department's organizations do not anticipate the need for any furloughs or reductions in force.

The FBI's mandated reduction of approximately $52.0 million includes approximately 450 workyears in 1986, a savings of approximately $9.1 million.

Multi-year, phased initiatives, such as the implementation of the Field Office Information Management System (FOIMS), will be seriously affected. Curtailing FOIMS implementation in 1986 will postpone the productivity improvements associated with this initiative. This action will result in current year savings of approximately $21 million.

Funding for research and development and equipment for the FBI's foreign counterintelligence initiatives will be reduced, thus restricting development of technical attack techiques. This action will result in current year savings of approximately $22.4 million.

The Gramm-Rudman reduction for 1986 will preclude the hiring of 311 support workyears, which will seriously affect the ability of the FBI to handle the volume of routine field office typing and headquarters support services. In 1985, the average bi-weekly number of pages to be typed in FBI field offices was approximately 39,500 pages and there were approximately 88,800 pages of tapes to be transcribed.

TUESDAY, MARCH 4, 1986.

FEDERAL BUREAU OF INVESTIGATION

WITNESSES

WILLIAM H. WEBSTER, DIRECTOR

JOHN A. MINTZ, EXECUTIVE ASSISTANT DIRECTOR—ADMINISTRATION

THOMAS A. HUGHES, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT BRANCH, ADMINISTRATIVE SERVICES DIVISION

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, DEPARTMENT OF JUSTICE

WILLIAM A. BAYSE, ASSISTANT DIRECTOR, TECHNICAL SERVICES DIVISION

ANTHONY E. DANIELS, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION

Mr. SMITH. This afternoon we consider the 1987 budget for the Federal Bureau of Investigation. The request is for $1,278,410,000. This is an increase of $121,904,000 above the appropriation enacted for fiscal year 1986 adjusted for sequestration under Public Law 99–177.

We shall insert the justifications submitted in support of this request into the record at this point.

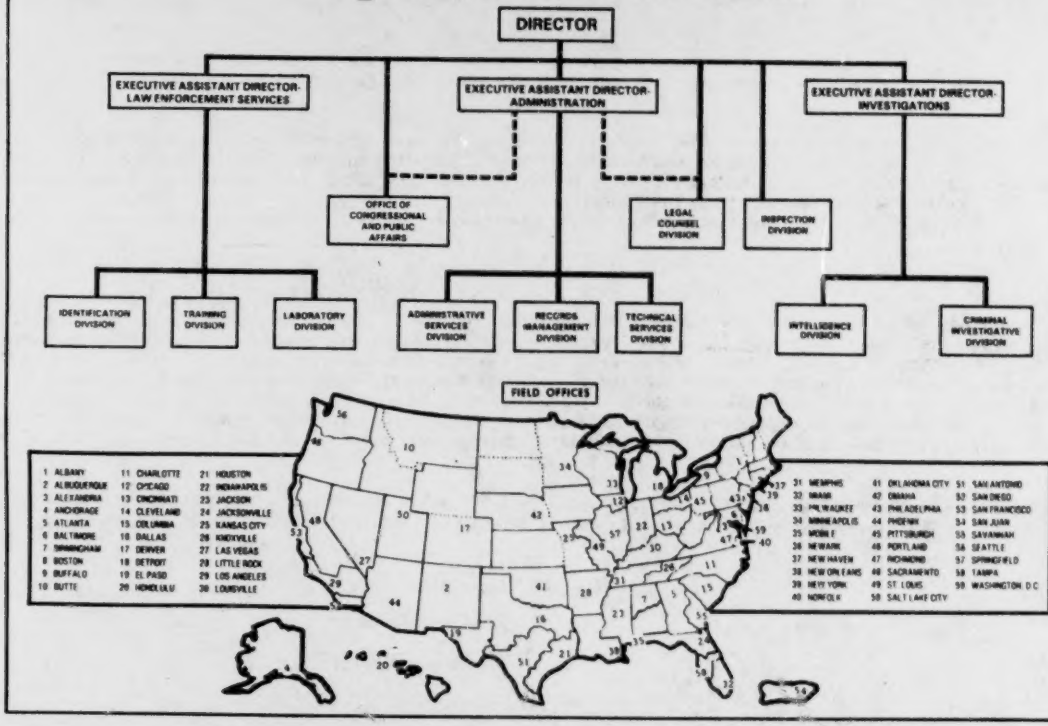
[The justification material follows:]

Department of Justice
Federal Bureau of Investigation
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5A
Crosswalk of 1986 Changes	6
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance:	
Criminal, Security, and Other Investigations	11
Investigative Support	48
State and Local Assistance	86
Program Direction	106
Financial Analysis - Program Changes	116
Status of Congressionaly Requested Studies, Reports, and Evaluations	118
Priority Rankings	119
Detail of Permanent Positions by Category	120
Summary of Adjustments to Base	121
Justification of Adjustments to Base	122
Summary of Requirements by Grade and Object Class	128
Status of Construction and Summary of New Facilities Requirements	130
Consulting and Related Services	133

U.S. Department of Justice
Federal Bureau of Investigation

Organization Of The FBI



Federal Bureau of Investigation

Salaries and expenses

Summary Statement

Fiscal Year 1987

For 1987, the Federal Bureau of Investigation is requesting a total funding of $1,278,410,000, 22,430 permanent positions, and 21,803 direct workyears. This request represents a net increase of $85,393,000, 776 positions, and 632 workyears over the base level for 1987.

The primary mission of the Federal Bureau of Investigation is to investigate violations of laws over which it has jurisdiction and to provide accurate and timely information relating to applicant and civil matters and the national security to the Executive Branch. The major thrust of the FBI's request for 1987 is to counter the growing lack of general support employees available in the field offices. The lack of adequate general support staffing for the investigative personnel causes serious problems such as the inability to get expedite or routine typing or other general clerical functions accomplished. The FBI's budget request for 1987 contains four budget activities incorporating nineteen decision units. The budget activities are: Criminal, Security, and Other Investigations; Investigative Support; State and Local Assistance; and Program Direction. The major initiatives and resource requests for 1987 for the above mentioned activities are summarized below:

Criminal, Security, and Other Investigations:

The principal investigative programs of this activity are Foreign Counterintelligence, Organized Crime (including Organized Crime Drug Enforcement), White-Collar Crime, Terrorism, General Crimes, and Civil Rights, Applicant, and Other Investigations. In keeping with the desires of the President and the Attorney General, Foreign Counterintelligence, Organized Crime, Organized Crime Drug Enforcement, Terrorism, and White-Collar Crime, including political corruption, continue to be the programs which the FBI places the greatest emphasis on since these investigative areas pose the greatest threat to the moral, economic, and domestic stability of the United States.

A program increase of 728 positions, 587 workyears, and $51,850,000 is requested in this activity over the 1987 base level. Justification for these additional resources is set forth in the "Special Analysis of Field Programs Exhibit."

Investigative Support:

The programs within this activity are: Training; Forensic Services - Federal; ADP and Telecommunications; Legal Attaches; Records Management; and Technical Field Support and Equipment. This activity provides the training and "tools" necessary to meet the demands of the FBI's objectives. It includes the maintenance of all investigative records and the entire FBI communications system.

59-584 O—86——5

Investigative Support: (continued)

Base funding and the completion of a third dormitory at the FBI Academy will allow the FBI to meet the urgent need for training that previously had been either eliminated entirely or severely curtailed due to limited facilities. The FBI must provide the sophisticated training that is necessary in an era of increasingly complex investigative challenges. Base funding will also allow the Forensic Services - Federal, Legal Attaches, and Records Management programs to fulfill their missions.

State and Local Assistance:

The FBI provides state and local law enforcement officials with training, laboratory, fingerprint identification, and information services. No additional program increase funding is included for these services in 1987. The following programs are in this activity: General Law Enforcement Training; Forensic Services - Non-Federal; Fingerprint Identification; and Criminal Justice Data and Statistics Services. These services are important to state and local law enforcement and, as a result, Federal law enforcement receives valuable reciprocal services from State and local authorities.

Program Direction:

This activity consists of two programs: Executive Direction and Control and Administrative Services. Included are the executive direction, administrative, legal, planning, inspection, and financial management functions of the FBI.

Federal Bureau of Investigation

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in the appropriations language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed [one thousand six hundred forty] passenger motor vehicles of which one thousand five hundred seventy-nine one thousand four hundred fifty will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance, and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; [$1,209,000,000] $1,278,410,000 of which not to exceed [$25,000,000] $10,000,000 for automated data processing and telecommunications and $1,000,000 for undercover operations shall remain available until September 30, [1987]; of which $3,000,000 1988 for research related to investigative activities shall remain available until expended; [and of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism:] Provided, That notwithstanding the provisions of title 31 U.S.C. 3302, the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for noncriminal employment and licensing purposes, and credit not more than [$13,500,000] $15,500,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services: Provided further, That notwithstanding 31 U.S.C. 3302, the Director of the FBI may establish and collect fees to provide training to State and local law enforcement officers at the FBI Academy and credit such fees to this appropriation to be used for expenses incurred in providing these services.

(continued)

Justification of Proposed Changes in Appropriation Language (continued)

[Provided further, That $13,120,000 shall remain available until expended for constructing and equipping new facilities at the FBI Academy, Quantico, Virginia:] Provided further, That not to exceed $45,000 shall be available for official reception and representation expenses; [Provided further, That by June 1, 1986, the Director of the FBI shall submit to the appropriate committees of the Congress a report on the FBI's capabilities and efforts to counter the electronic interception of American telecommunications by foreign agents] Provided further, That $15,000,000 for the expansion and renovation of the New York field office shall remain available until expended.

(28 U.S.C. 524, 531-37, 18 U.S.C. 3052, 3059, 22 U.S.C. 4081, 4084; Department of Justice Appropriation Act, 1986; additional authorizing legislation to be proposed.

Explanation of Changes:

1. In regard to the increase for reimbursable fingerprint services, the current ceiling of $13,500,000 will not allow the User-Fee Program to retain sufficient funds to cover all costs incurred in 1987. The estimated workload of 1,033,000 revenue prints at the 1986 fee of $14 would produce $13,532,300 in revenue. The proposed ceiling of $15,500,000 would allow for increases in workload above the current estimates and/or increases to the 1986 fee, if necessary, without adversely affecting the program.

2. Language is being requested to permit the FBI to train State and local law enforcement officers at the FBI Academy on a reimbursable basis.

3. The $15,000,000 for the renovation of the New York field office is requested as "until expended" because of the multi-year nature of this renovation project.

Federal Bureau of Investigation

Salaries and Expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation			4.3% Reduction	Funds Sequestered			1986 Revised Estimates		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	WY	Revised Plan Amt.	%	Pos.	WY	Amt.
1. Criminal, Security, and Other Investigations:																			
Other Field Programs	8,251	7,941	$440,096	284	143	$15,054	-58	-57	$-446	8,479	8,027	$458,704	-$19,743	-156	-$8,838	1.9%	8,479	7,871	$445,866
Organized Crime	2,557	2,491	122,732	...	...	2,277	31	30	2,452	2,588	2,521	127,461	-5,535	-51	-1,703	1.3%	2,588	2,470	125,758
OCDE	446	446	34,428	...	...	-1,434	...	...	...	446	446	33,000	-1,833	-7	-203	.6%	446	439	32,797
White-Collar Crime	2,936	2,849	144,457	...	...	2,686	1	1	53	2,937	2,850	147,196	-6,391	-59	-1,400	1.0%	2,937	2,791	145,796
Subtotal	14,192	13,727	741,713	284	143	18,589	-26	-26	2,059	14,450	13,844	766,361	-33,502	-273	-12,144	1.6%	14,450	13,571	750,217
2. Investigative Support:																			
Training	401	390	35,516	...	...	243	...	...	...	401	390	35,759	-1,553	-9	-327	.9%	401	381	35,432
Forensic Services-Federal	319	308	16,417	...	...	232	3	3	1,111	322	311	17,760	-771	-8	-1,071	6.0%	322	303	16,689
ADP & Telecommunications	560	548	137,597	...	...	438	7	7	-3,860	567	555	134,175	-5,826	...	-21,880	16.3%	567	555	112,295
Legal Attaches	72	70	5,165	...	...	61	4	4	186	76	74	5,412	-275	-2	-99	.9%	76	72	5,313
Records Management	1,288	1,269	37,905	...	...	677	-2	-2	-83	1,286	1,265	38,799	-1,667	-35	-588	1.5%	1,286	1,230	37,811
Technical Field Support & Equipment	147	144	60,885	...	...	506	3	3	196	150	147	61,587	-2,674	...	-13,983	22.7%	150	147	47,604
Subtotal	2,787	2,707	293,385	...	...	2,157	15	15	-2,450	2,802	2,722	293,092	-12,726	-54	-37,902	12.9%	2,802	2,668	255,190
3. State and Local Assistance:																			
Gen. Law Enforcement Training	283	275	$16,134	...	...	$219	...	...	...	283	275	$16,413	-$713	-6	-$147	.9%	283	269	$16,266
Forensic Services - Non-Federal	122	119	7,916	...	...	116	...	...	...	122	119	8,032	-349	-2	-29	.4%	122	117	8,003
Fingerprint Identification	2,573	2,585	72,746	...	...	1,429	...	...	...	2,573	2,585	74,175	-3,220	-73	-1,646	2.2%	2,573	2,512	72,529
Criminal Justice Data & Statistics Services	204	199	7,896	...	...	104	...	...	...	204	199	8,000	-347	-5	-72	.9%	204	194	7,928
Subtotal	3,182	3,178	104,692	...	...	1,928	...	...	...	3,182	3,178	106,620	-4,629	-86	-1,894	1.8%	3,182	3,092	104,726
4. Program Direction:																			
a. Executive Direction and Control	526	507	$23,188	...	...	$383	-5	-5	$-116	521	502	23,655	-1,027	-12	-233	1.0%	521	490	23,422
b. Administrative Services	721	704	22,486	...	...	279	16	16	507	737	720	23,272	-1,010	-21	-321	1.4%	737	699	22,951
Subtotal	1,247	1,211	45,674	...	...	662	11	11	391	1,258	1,222	46,927	-2,037	-33	-554	1.2%	1,258	1,189	46,373
Total	21,408	20,823	1,185,664	284	143	21,336	...	...	...	21,692	20,966	1,209,000	-52,494	-446	-52,494	4.342%	21,692	20,520	1,156,506

Federal Bureau of Investigation

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Criminal, Security, and Other Investigations:												
Other Field Programs.....	8,253	7,941	$440,096	284	143	$15,054	-58	-57	$-446	8,479	8,027	$454,704
Organized Crime.....	2,557	2,491	122,732	...	...	2,277	31	30	2,452	2,588	2,521	127,461
OCDE.....	446	446	34,428	...	...	-1,428	...	...	...	446	446	33,000
White-Collar Crime.....	2,936	2,849	144,457	...	...	2,686	1	1	53	2,937	2,850	147,196
Subtotal.....	14,192	13,727	741,713	284	143	18,589	-26	-26	2,059	14,450	13,844	762,361
2. Investigative Support:												
Training.....	401	390	35,516	...	...	243	...	...	...	401	390	35,759
Forensic Services-Federal	319	308	16,417	...	...	232	3	3	1,111	322	311	17,760
ADP & Telecommunications.	560	548	137,597	...	...	438	7	7	-3,860	567	555	134,175
Legal Attaches.....	72	70	5,165	...	...	61	4	4	186	76	74	5,412
Records Management.....	1,288	1,247	37,805	...	...	677	-2	-2	-83	1,286	1,245	38,399
Technical Field Support & Equipment.....	147	144	60,885	...	...	506	3	3	196	150	147	61,587
Subtotal.....	2,787	2,707	293,385	...	...	2,157	15	15	-2,450	2,802	2,722	293,092
3. State and Local Assistance:												
Gen. Law Enforcement Training.....	283	275	16,134	...	...	279	...	...	...	283	275	16,413
Forensic Services - Non-Federal.....	122	119	7,916	...	...	116	...	...	...	122	119	8,032
Fingerprint Identification.....	2,573	2,585	72,746	...	...	1,429	...	...	...	2,573	2,585	74,175
Criminal Justice Data & Statistics Services...	204	199	7,896	...	...	104	...	...	...	204	199	8,000
Subtotal.....	3,182	3,178	104,692	...	...	1,928	...	...	...	3,182	3,178	106,620

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
4. Program Direction:												
a. Executive Direction and Control.....	526	507	$23,388	...	...	$383	-5	-5	$-116	521	502	$23,655
b. Administrative Services..	721	704	22,486	...	...	279	16	16	507	737	720	23,272
Subtotal.....	1,247	1,211	45,874	...	...	662	11	11	391	1,258	1,222	46,927
Total.....	21,408	20,823	1,185,664	284	143	23,336	...	...	...	21,692	20,966	1,209,000

Congressional Appropriation Actions

The joint action of the House and Senate Appropriations Committee provided additional resources for the domestic and international terrorism programs as well as a restoration to the original payraise reduction for all FBI programs. Forfeiture funding of $1.9 million was also reduced by the House and Senate Appropriations Committees.

Reprogrammings

These reprogrammings are the result of target staffing level adjustments, functional transfers between and among programs and divisions, financial plan changes, divisional reorganizations, and other resource transfers which will provide for more centralized program management.

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Positions	Work-years	Amount
1986 as enacted	21,692	20,966	$1,209,000
Savings resulting from management initiatives	-38	-38	-948
Uncontrollable increases	...	243	41,973
Decreases	...	...	-57,008
1987 base	21,654	21,171	1,193,017

Estimates by Budget Activity	1985 Actual			1986 As Enacted			1987 Base			FY 1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Criminal, Security, and Other Investigations	13,794	13,217	$726,619	14,450	13,844	$762,361	14,450	14,087	$774,591	15,178	14,674	$826,441	728	587	$51,850
2. Investigative support	2,884	2,807	256,909	2,802	2,722	293,092	2,782	2,702	261,988	2,830	2,747	299,813	48	45	37,825
3. State and local Assistance	3,118	3,093	130,842	3,182	3,178	106,620	3,185	3,181	109,387	3,185	3,181	105,105	...	...	-4,282
4. Program Direction	1,241	1,191	73,800	1,258	1,222	46,927	1,237	1,201	47,051	1,237	1,201	47,051	...	...	...
Total	21,037	20,308	1,188,170	21,692	20,966	1,209,000	21,654	21,171	1,193,017	22,430	21,803	1,278,410	776	632	85,393

Federal Bureau of Investigation

Summary of Resources by Program
(Dollars in thousands)

Estimated by Program	1985 as Enacted			1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal, Security, and Other Investigations:																		
Other Field Programs.	7,840	7,565	$395,518	7,704	7,382	$411,991	8,479	8,027	$454,704	8,479	8,270	$459,194	8,942	8,635	$505,382	463	365	$46,188
Organized Crime.....	2,589	2,483	123,454	2,609	2,501	136,057	2,588	2,521	127,461	2,588	2,521	130,826	2,696	2,611	133,132	108	90	2,306
OCDE.....	446	443	34,664	854	818	47,074	446	446	33,000	446	446	33,581	486	480	34,436	40	34	855
White-Collar Crime...	2,937	2,765	139,240	2,627	2,516	131,497	2,937	2,850	147,196	2,937	2,850	150,990	3,054	2,948	153,491	117	98	2,501
Subtotal.....	13,812	13,256	$692,876	13,794	13,217	$726,619	14,450	13,844	$762,361	14,450	14,087	$774,591	15,178	14,674	$826,441	728	587	51,850
Investigative Support:																		
Training.....	401	390	28,669	412	396	27,404	401	390	35,759	401	390	23,758	401	390	23,508	...	...	-250
Forensic Serv. - Fed.	322	311	17,376	297	285	15,664	322	311	17,760	322	311	18,460	322	311	18,460	...	...	...
ADP & Telecomm.....	567	553	126,702	563	573	98,724	567	555	134,175	567	555	122,969	611	596	136,080	44	41	13,111
Legal Attaches.....	73	71	4,854	79	75	5,430	76	74	5,412	76	74	5,470	76	74	5,470	...	...	...
Records Management...	1,286	1,245	37,153	1,397	1,349	36,599	1,286	1,245	38,399	1,266	1,225	39,129	1,266	1,225	39,129	...	...	...
Technical Field Support & Equip.....	150	146	94,388	136	129	73,088	150	147	61,587	150	147	52,202	154	151	77,166	4	4	24,964
Subtotal.....	2,799	2,716	309,142	2,884	2,807	256,909	2,802	2,722	293,092	2,782	2,702	261,988	2,830	2,747	299,813	48	45	37,825

Federal Bureau of Investigation

Summary of Resources by Program
(Dollars in thousands)

Estimated by Program	1985 as Enacted			1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Assistance:																		
Gen. Law Enforc. Trng.	283	275	$15,209	282	271	$15,046	283	275	$16,413	283	275	$16,667	283	275	$12,385	...	...	-$4,282
Forens Serv-Non-Fed...	122	119	7,897	151	146	8,063	122	119	8,032	122	119	8,359	122	119	8,359	...	...	...
Fingerprint Ident.....	2,573	2,585	78,646	2,489	2,488	100,667	2,573	2,585	74,175	2,573	2,585	75,860	2,573	2,585	75,860	...	...	...
Crim. Justice Data & Statistic Services...	204	199	7,696	196	188	7,066	204	199	8,000	207	202	8,501	207	202	8,501	...	...	...
Subtotal.....	3,182	3,178	109,448	3,118	3,093	130,842	3,182	3,178	106,620	3,185	3,181	109,387	3,185	3,181	105,105	...	...	-4,282
Program Direction:																		
Executive Direction & Control.....	521	502	24,317	507	485	26,700	521	502	23,655	522	503	24,046	522	503	24,046	...	...	...
Admin Services.....	723	704	24,605	734	706	47,100	737	720	23,272	715	698	23,005	715	698	23,005	...	...	...
Subtotal.....	1,244	1,206	48,922	1,241	1,191	73,800	1,258	1,222	46,927	1,237	1,201	47,051	1,237	1,201	47,051	...	...	...
Total.....	21,037	20,356	1,160,388	21,037	20,308	1,188,170	21,692	20,966	1,209,000	21,654	21,171	1,193,017	22,430	21,803	1,278,410	776	632	85,393
Reimbursable workyears		384			461			407			407			554			147	
Total		20,740			20,769			21,373			21,578			22,357			779	
Other Workyears																		
Holiday.....		35			332			35			35			35			...	
Overtime.....		1,893			1,963			1,976			1,993			2,019			26	
Total compensable workyears.....		22,668			23,064			23,384			23,606			24,411			805	

Federal Bureau of Investigation

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Criminal, Security, and Other Investigations	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Other Field Programs	8,479	8,027	$454,704	8,479	8,270	$459,194	8,942	8,635	$505,382	463	365	$46,188
Organized Crime	2,588	2,521	127,461	2,588	2,521	130,826	2,696	2,611	133,132	108	90	2,306
OCDE	446	446	33,000	446	446	33,581	486	480	34,436	40	34	855
White-Collar Crime	2,937	2,850	147,196	2,937	2,850	150,990	3,054	2,948	153,491	117	98	2,501
Total	14,450	13,844	762,361	14,450	14,087	774,591	15,178	14,674	826,441	728	587	51,850

This budget activity includes resources for managing and coordinating field investigations and resources for all field investigative operations for the Federal Bureau of Investigation. The operations are conducted out of 59 field offices and more than 408 resident agencies located throughout the United States and Puerto Rico. Field offices are responsible for all investigations including the national priority law enforcement areas of organized crime, white-collar crime, foreign counterintelligence and terrorism.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Field Programs.....	8,479	8,027	$454,704	8,479	8,270	$459,194	8,942	8,635	$505,382	463	365	$46,188

Long-Range Goal: To reduce the incidence of various general criminal activities; to conduct appropriate applicant, civil rights, and fugitive investigations as directed by law and the Attorney General; and to counter within the United States the hostile activities of foreign intelligence officers, agents, and terrorists.

Major Objectives:

To identify, penetrate, and neutralize the effectiveness of intelligence operations and activities inimical to the United States.

To conduct thorough background investigations on a timely basis for the White House, the Department of Justice, certain Congressional committees, and other Federal agencies.

To recruit, process, investigate, and appoint the most qualified individuals to meet the staffing needs of the FBI.

To investigate alleged violations of the various civil rights laws, both those which are self-initiated and those at the request of the Civil Rights Division of the Department of Justice.

To investigate threats and assaults against, and kidnapings and assassinations of, the President, Vice-President, Executive department heads, members of Congress, Justices of the Supreme Court, other designated Government officials, and Federal law enforcement officers, and to investigate kidnapings; extortions; crimes aboard aircraft; tamperings of consumer products; thefts of controlled substances; and other personal crimes under FBI jurisdiction.

To locate and apprehend local and state fugitives charged under the Fugitive Felon Act with unlawful flight to avoid prosecution for violent personal crimes, substantial property thefts, and narcotics violations; major Federal narcotics offenders sought by DEA; United States military personnel who desert under aggravated circumstances; and to assist local and foreign police agencies in criminal investigations.

To achieve the maximum bank robbery solution rate and most effective prosecutive results possible by providing an immediate investigative response to reported violations and, thereafter, conduct a logical investigation to identify, locate, and apprehend individuals responsible for these crimes.

To identify, investigate, and develop cases for prosecution against individuals and organized gangs involved in thefts from interstate shipments, interstate transportation of stolen property, motor vehicle theft rings, other Federal property crimes, and the fencing of stolen goods.

To investigate serious personal and major property crimes committed on Indian reservations, in Federal correctional institutions, and on United States Government installations; thefts of United States property, funds, weapons, and explosives from Federal buildings, installations, and supply depots; and Selective Service Act matters. To investigate impersonation situations where a person assumes or pretends to be an officer or employee acting under the authority of the United States.

To recruit, direct, and maintain a network of criminal informants and sources capable of obtaining intelligence information on past, current, and proposed criminal acts within FBI investigative jurisdiction and capable of aiding the FBI in locating and apprehending persons charged under Federal statutes.

To plan, implement, and direct short-term and long-term undercover operations involving individuals and criminal groups responsible for major property crimes, thefts of United States Government property, and the transportation of stolen goods.

To develop an analytic and managerial capability to identify and respond to crime problems and trends at the local and national levels; determine resource needs for these programs within individual field offices; and assist in the strategic allocation of appropriated resources.

To provide Headquarters-level support of field office investigative efforts; develop and implement investigative and administrative policy; establish and maintain liaison with other Federal agencies, industry, and professional associations, citizen groups, and others; continue to expand FBI participation in INTERPOL; and to identify and conduct appropriate in-service and related training for agents and support personnel involved in program-related investigations.

To prevent terrorist acts and to locate, identify, and arrest persons advocating terrorism or committing or supporting terrorist acts.

Base Program Description: The Other Field Programs is the largest investigative program in the Criminal, Security and Other Investigations budget activity. The program consists of a myriad of diverse investigative activities, including civil rights matters, applicant matters, state and local fugitive matters, personal crimes, property crimes, foreign counterintelligence matters, crimes on Indian reservations, thefts of Government property, and terrorism matters.

The FBI conducts background investigations for the White House, the Department of Justice, certain Congressional committees, the Administrative Office of the United States Courts, the Department of Energy, the Drug Enforcement Administration, the Nuclear Regulatory Commission, and through the Office of Personnel Management, other Federal agencies, in addition to background investigations of its own personnel. Executive Order 10450, which is the basis for most Federal personnel background investigations, provides that all employees of the Executive Branch will be afforded some level of investigation to establish reliability, trustworthiness, good conduct, and loyalty. Investigative results permit the FBI's client agencies to draw conclusions about the candidate's ability to perform the duties of the position for which the candidate is being considered and the ability to grant the prospective employee access to classified information. This Order other Executive Orders such as: the Directorate of Counterintelligence Directive 1-14; Department of Justice Orders; statutes such as the Atomic Energy Act; and agreements between the Attorney General and other entities provide the basis for FBI participation in this process. The FBI is committed to conduct these background investigations when requested to do so by other agencies, to conduct them in a thorough and penetrating manner, and to ensure the results are furnished to the requestor in a timely fashion. Overall direction and coordination is provided by two units at FBI Headquarters.

The FBI's responsibilities and efforts in the civil rights program are directed toward the continued improvement of the atmosphere in which citizens and inhabitants can obtain and maintain their civil rights as guaranteed by the Constitution and laws of the United States. This is accomplished by thorough investigation of alleged violations of the various civil rights laws. Statutory responsibility for this program is set forth in legislation embodied in the Civil Rights Acts of 1957, 1964, and 1968, and the Equal Credit Opportunity Act, as amended, March 23, 1977, the various Federal Revenue Sharing Acts, as well as other legislation in the civil rights field. Responsibility for managing investigations of possible criminal violations of the Privacy Act has been charged to the FBI by the Department of Justice. Discretion in management of the Civil Rights Program is not unlimited, as policy concerning the extent of the investigation to resolve and evaluate allegations of violations of the various civil rights laws is established in conjunction with the Department of Justice. One unit at FBI Headquarters provides direction.

The FBI Security Programs Manager has overall responsibility for the implementation and administration of designated Department of Justice security programs and handles all matters regarding the issuance of security clearances for contract and noncontract personnel as well as for FBI personnel who require a change in clearance. In order to effectively perform this function, background investigations are conducted to develop information on which a decision can be made. Similarly, the unit manages investigations concerning nonjudicial personnel, when necessary, in connection with assignments to positions covered by provisions of the Foreign Intelligence Surveillance Act and the Classified Information Procedures Act. Background investigations are also initiated concerning non-FBI personnel who will have regular access to FBI space and facilities.

This decision unit serves to perform all phases of the FBI's employment activities, including background investigations of FBI employment candidates. It consists of a unit at FBI Headquarters which controls and directs all aspects of the applicant program throughout the FBI and ultimately makes all hiring decisions. Additionally, a unit in each of the 59 field offices handles all initial processing for positions in the FBI and conducts the necessary background investigations. This decision unit has the responsibility of hiring the most qualified applicants available and encompasses concerns both as to an applicant's suitability and security issues.

A significant portion of the FBI's Special Agent population will become eligible to retire throughout the remaining 1980s and early 1990s. These retirees will have to be replaced and replacements will need expertise in a multitude of different areas. The current responsibilities of the special agent position call for the hiring of engineers, linguists, attorneys, accountants, scientists, pilots, and a multitude of other individuals with particular expertise and skills. During 1985, the FBI received over 1,000 applications per month from individuals who meet the threshold requirements and an effective Special Agent Selection System (SASS) must be maintained if the FBI is to attract and then select the most qualified applicants available consistent with the FBI's needs.

The selection of personnel for the FBI is a very detailed and complex responsibility. The SASS consists of a number of stages and an applicant is required to compete at each level of the processing in order to receive further consideration. The first step consists of a written test and over 1,000 of these were processed at FBI Headquarters each month during 1985. This entails computer entry, a computer grading run, and a notification of status mailed to the applicant. Applicants who are competitive on the test are then selected for a formal interview, which is conducted by an interview board consisting of three special agents in the various field offices. The written results are then computerized and another notification of status is sent to the applicant. Those who compete successfully in both the testing and interview phases are selected for a background investigation. Approximately two background investigations for each appointment the FBI has to offer are conducted in order to provide the FBI with the opportunity to select the most qualified applicants available.

The FBI Headquarters unit also has to grade an accounting test for each special agent applicant being processed under the Accounting Program and process a language test for each applicant applying as a linguist. The total workload of this process is set forth in the workload summary.

FBI personnel needs in the varied ranks of the support staff must also be met, and background investigations for DEA Special Agents and Compliance Officers must be conducted. These are also centrally processed and coordinated by the unit at Headquarters.

The FBI is directly involved at the street-level in attacking the incidence of violent personal and property crimes through its four General Crimes investigative programs. This involvement includes both investigating crimes that fall under Federal jurisdiction and assisting state and local law enforcement agencies in locating and apprehending dangerous criminals sought for serious crimes. These four programs--Fugitive, General Government Crimes, General Property Crimes, and Personal Crimes--provide the primary Federal law enforcement response to crimes directed against designated Federal officials, committed on or against United States property, or where a Federal interest has been recognized by enactment of Federal statutes.

Through the Fugitive Program the FBI assists state and local law enforcement agencies in apprehending felons who cross state boundaries to avoid arrest, prosecution, or confinement. Typically, these fugitives are wanted for such crimes as murder, armed robbery, aggravated assault, rape, and narcotics offenses. Additionally, abductions of children by natural parents in defiance of custody decrees are investigated. Efforts are also made to locate and apprehend Class I and II narcotics law violators sought by the Drug Enforcement Administration and other fugitives in cooperation with other Federal agencies. Assistance is also provided to the United States armed forces in locating military personnel who desert under aggravated circumstances and to local and foreign police agencies conducting criminal investigations.

General Government Crimes Program investigations are directed toward solving serious personal and major property crimes committed on Indian reservations and United States property, which includes approximately 430 major Department of Defense installations, numerous civilian agency buildings and sites, national parks and recreational areas, approximately 166 Indian reservations, and 45 Federal penitentiaries and correctional facilities. Also investigated under this program are matters referred to the Department of Justice by the Selective Service System (SSS) involving individuals who are suspected of failing to register with SSS as required by law; individuals impersonating Federal officials; false identification matters within FBI jurisdiction; and other crimes affecting the Federal Government.

General Property Crimes Program investigations focus on thefts from interstate shipments, the interstate transportation of stolen goods and motor vehicles, individuals and groups engaged in such activities, and fences dealing in stolen goods. Investigations of such individuals and groups often uncover links between property crimes, fences, organized crime, and narcotics trafficking. Other program investigations include Crime on the High Seas and Destruction of Aircraft or Motor Vehicle matters. To complement investigations of reported incidents of property crimes, the FBI also employs the use of undercover operations to identify and penetrate theft rings and fencing activities and obtain intelligence information and evidence against criminals who have been able to insulate themselves against direct lines of complicity in illegal activities.

The Personal Crimes Program addresses a group of offenses involving the common characteristics of threatened or actual injury or loss of life. These offenses include: threats, assaults, kidnapings, and the assassination of the President, Vice President, Executive department heads, Supreme Court Justices, Members of Congress, other designated Federal officials, and Federal law officers; bank robberies; kidnapings; extortions; and aircraft hijacking and other crimes aboard aircraft. Program investigative responsibilities were recently expanded with the enactment of the Federal Anti-Tampering Act and the Controlled Substance Registrant Protection Act of 1984. The Federal Anti-Tampering Act prohibits the actual or threatened contamination or adulteration of consumer products, while the Controlled Substance Registrant Protection Act of 1984 established Federal jurisdiction over certain thefts of controlled substances from manufacturers, distributors, practitioners, or retail outlets. Beginning in 1986, the Personal Crimes Program became responsible for the investigation of matters involving the sexual exploitation of children through violations of the White Slave Traffic Act and the Interstate Transportation of Obscene Matter statutes. The Child Protection Act of 1984 increased the criminal penalties and authorized criminal or civil forfeiture of material made or distributed, as well as any profits derived from these violations. This act also eliminated the requirement that the Government show that a defendant acted for monetary gain and increased the age of protected children from 16 to 18 years of age.

Cases are presented to the U.S. Attorney, where they are either accepted for prosecution or declined, depending upon the policies and guidelines of the U.S. Attorney and the quality and strength of the investigation. Declined cases can be closed by the FBI field office if all logical investigation is completed. Accepted cases are prepared for prosecution and further investigation is conducted as necessary. Arrest warrants are executed when approved. Prosecutive support is provided in terms of case preparation and court testimony. Upon conclusion of judicial proceedings against all subjects, cases are closed.

The FBI is the lead Federal law enforcement agency in the United States Government's fight against terrorism. Terrorism investigations are conducted as prescribed by law and by guidelines prepared by the Attorney General. The mission of the Domestic Terrorism Program is to detect, prevent and/or react to unlawful, violent acts and criminal activities of domestic terrorist groups or individuals. These groups are based and operate entirely within the United States and direct their activities at elements of our Government or population with the intent to either overthrow the United States Government, interfere with the activities of a foreign government in the United States, substantially impair the functioning of the Federal Government, a state government or interstate commerce, or deprive Americans of their civil rights, as guaranteed by the United States Constitution.

The approach taken in domestic terrorism investigations is responsive to the need to both prevent incidents where possible and to react effectively after incidents occur. In the course of conducting investigations, the FBI collects information regarding group membership, associations, movements, support structures, funding, etc. This information serves not only as a basis for prosecution, but builds an intelligence data base making possible the prevention of terrorist acts. The reactive phase of the program, on the other hand, consists of effective and timely response to a terrorist incident through crisis management and conventional investigative techniques.

In addition to its mandated role, the FBI investigates terrorist groups and incidents through its criminal investigative authority. Terrorist activity frequently violates Federal criminal statutes that the FBI has been designated to enforce (i.e., bombing matters, Protection of Foreign Officials and Official Guests of the United States, neutrality matters, etc.), thereby causing the FBI to initiate investigations.

Domestic terrorist investigations are premised upon the fundamental duty of government to protect the public against terrorism and criminal violence intended to destroy the constitutional system. This duty must be performed with care in order to protect individual rights. To accomplish this, in April 1983 the Attorney General issued investigative guidelines for conducting Domestic/Security Terrorism investigations. These guidelines allow the FBI to conduct investigations of groups which advocate the use of violence in furtherance of social or political objectives and appear to have the capacity for committing the violence. The approach taken to these investigations is similar to that taken in other racketeering investigations. That is to say, the focus is on the unlawful activity of the group rather than on the motives. If it can be reasonably established that two or more persons are allied in the commission or planning of unlawful violent acts, they can be investigated for involvement in an ongoing criminal enterprise. Further, the investigation may extend to persons supporting the criminal enterprise by providing safehouses, money, weapons, or the like. These guidelines establish a consistent policy concerning when an investigation may be initiated and the methods that may be employed in conducting the investigation.

The Attorney General's Guidelines permit the government to actively combat terrorism while at the same time avoid the repressive measures that the terrorists seek to provoke in their efforts to influence the government. Additionally, in response to the threat posed by terrorism, the United States Congress has passed legislation creating several new Federal crimes. These measures were included in the Comprehensive Crime Control Act of 1984 which became law on October 12, 1984.

To assist the Government's counterterrorist efforts, the Congress has established Federal jurisdiction over crimes involving United States nationals which take place outside the jurisdiction of any nation. This act is based on international law and will be invoked for serious crimes occurring in such places as the high seas or Antarctica. Congress also implemented the International Convention Against the Taking of Hostages. The convention requires that hostage taking be made a Federal offense. With certain limitations, the FBI will now have jurisdiction over hostage taking situations both within the United States and in other nations when the United States is an involved party.

Accomplishments and Workload:

Civil Rights, Applicant and Other Investigations

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Matters Received				
Reimbursable Applicant (except DEA)	13,194	13,241	13,000	13,000
Nonreimbursable Applicant (except FBI)	29,725	34,840	34,000	34,000
Other Investigations	7,909	5,065	6,000	6,000
Civil Rights	8,394	7,630	8,000	8,000
Total Investigative Matters Received	59,222	60,776	61,000	61,000
Investigative Matters Completed				
Reimbursable Applicant (except DEA)	13,334	13,142	13,000	13,000
Nonreimbursable Applicant (except FBI)	29,833	34,563	34,000	34,000
Other Investigations	7,955	5,040	6,000	6,000
Civil Rights	8,332	7,579	8,000	8,000
Total Investigative Matters Completed	59,454	60,324	61,000	61,000

General Crimes

Origin Investigative Matters Pending From Previous Year	19,341	19,824	20,083	20,495
Origin Investigative Matters Received During Year	35,613	32,821	35,309	36,424
Total Origin Investigative Matters	54,954	52,645	55,392	56,919
Complaints Filed	3,604	3,669	3,792	3,917
Informations Filed	525	578	642	670
Indictments Returned	4,074	4,248	4,453	4,605
Subjects Arrested	3,528	3,887	3,933	4,074
Subjects Located	1,033	984	1,066	1,150
Recoveries ($000)	$142,987	$167,402	---	---
Potential Economic Losses Prevented ($000)	$37,829	$205,544	---	---
Undercover Operations -				
Group I	29	30	30	30
Group II	70	75	75	75
Informant Matters Pending (as of September 30)	2,278	2,189	2,280	2,280
Federal Convictions	4,381	4,408	4,634	4,815
Fines Levied in Federal Courts ($000)	$3,033	$5,870	---	---
Local Convictions	905	1,019	1,000	1,039
Fines Levied in Local Courts ($000)	$614	$575	---	---
Origin Investigative Matters Completed	35,130	32,562	34,897	35,859

Item	1984	1985	Estimates 1986	Estimates 1987
FBI Applicant Matters Received				
Support Applicants Tested	4,777	7,484	15,536	10,506
Special Agent Entrance Tests Received	12,408	10,569	12,000	13,000
Special Agent Language Tests Received	976	981	1,218	770
Special Agent Accounting Tests Received	1,156	986	1,225	775
Special Agent Interviews Received	2,761	2,824	3,507	2,219
DEA Applications Received (Reimbursable)	541	474	1,000	1,000
Specialty Support Applicants Processed	---	434	500	600
Specialty Applicants Referrals Processed	---	288	300	350
FBI Applicant Matters Handled				
Support Applicant Tests	4,777	7,484	15,536	10,506
Specialty Applicant Cases Processed	---	434	500	600
Special Agent Entrance Tests Processed	12,408	10,569	12,000	13,000
Special Agent Language Tests Processed	976	981	1,218	770
Special Agent Accounting Tests Processed	1,156	986	1,225	775
Special Agent Interviews Processed	2,761	2,824	3,507	2,219
DEA Applicant Cases Processed (Reimbursable)	530	474	1,000	1,000
Special Agents Hired	672	467	580	367
Support Employees Hired	1,818	1,305*	2,709	1,832
Terrorist Incidents	13	7	7	7
Persons Killed	---	2	0	0
Persons Injured	---	10	0	0
Terrorist Incidents Prevented	9	23	23	23
Arrests and Locates	43	143	143	143
Convictions	63	103	103	103

* Includes 211 Specialty Applicants hired.

During 1985, 2,370 individuals were investigated under the nonreimbursable applicant program. Among these were 927 requests from the White House (346 Presidential appointments and 581 staff). Many of these requests were of an expedite nature and short deadlines were required to complete the investigations. In addition, 1,801 individuals were investigated for the Department of Energy and the Administrative Office of the United States Courts on a reimbursable basis.

The FBI's highly structured Special Agent Selection System, developed to select the best qualified applicants for the position, was implemented in mid-1977 after approximately three years' research and study. It has proven to be a cost-effective system, as only approximately 40 percent of those applicants meeting the threshold requirements are eligible for formal interview after taking the battery of written tests. This contrasts markedly with the old selection system wherein every basically qualified applicant was both tested and interviewed. Also, because of the built-in selectivity inherent in the system, the number of background investigations conducted to insure there is a sufficient number of suitable applicants to meet FBI needs has been appreciably reduced. Utilizing this selection system, the FBI has, through further refinements in 1985, been able to enhance recruitment specifically targeted to meet its specialized needs, such as needs for linguists, engineers, etc., and the FBI has additionally been able to meet its Equal Employment Opportunity responsibilities.

The selection system is periodically reviewed and refined in an effort to better fulfill the FBI's responsibilities and utilize its resources in the most efficient, cost-effective manner. During 1985 a comprehensive study of the formal Special Agent interview was undertaken. New interview dimensions are now in the validation stage. The feasibility of including an essay examination and a psychological test in the selection system is currently under study. Entry criteria are periodically reviewed to ensure optimum efficiency of the selection system.

During 1985, the regional hiring concept for support personnel at FBI Headquarters was continued. During 1986, the regional recruiting concept will be expanded to eleven additional offices to meet heavier hiring demands during 1986. This has proved to be a cost-effective procedure in that it minimizes expenditures for initial reimbursable transportation costs. Management improvements continue to include regionalized placement within field offices of transcribers for Headquarters and regionalized placement of support personnel handling work for other divisions.

Part-time employment at Headquarters and several field divisions has been utilized, and the hiring of handicapped persons includes placement of deaf and blind individuals into our support ranks. The handling of support applicant investigations continues to be streamlined at FBI Headquarters to insure the program is handled in a most orderly, efficient, and expeditious manner, and includes the current introduction of computerization in several program facets.

During 1982, the FBI began conducting background investigations for DEA Special Agent applicants on a reimbursable basis.

During 1985, over 7,400 applicants were tested for support positions and over 10,500 for the special agent position. These efforts culminated in the actual hiring of over 1,300 support employees and 467 agents.

Already in 1986, this decision unit has been reorganized to more effectively meet the general support hiring requirements. The computerization of the General Support Applicant and the DEA/Specialty Applicant Subunits have progressed to the data loading stage.

In the Civil Rights Program in 1985, approximately 7,700 investigative matters were received. There were 60 indictments, 45 convictions (84 percent felony) and $167,051 in fines, savings, and recoveries involving criminal violations of these laws. Training programs were conducted for state and local law enforcement officers at the FBI Academy. These programs provided 50 hours of instruction. During this same time, 50 agents attended a 24-hour retraining program in civil rights matters at the FBI Academy, and approximately 40 others attended two regional conferences held both for training purposes and to discuss investigative problems unique to the regions.

The following are examples of some of the specific accomplishments in the Civil Rights area:

On May 1, 1981, the Los Angeles Division initiated an involuntary servitude and slavery investigation based upon information received that Indonesian aliens were being illegally transported to the United States and were thereafter sold as indentured servants. On September 23, 1982, a Federal grand jury in Los Angeles returned a true bill indicting ten subjects charging violation of both Involuntary Servitude and Slavery (ISS) and INS statutes. Subsequently, on March 4, 1983, a United States District Court Judge dismissed 25 ISS counts on grounds that the victims' fear was not induced by use or threat of force. In March 1984, the Ninth Circuit Court of Appeals reversed that decision on September 18, 1985, and concluded on October 25, 1985. Seven defendants entered guilty pleas, and one defendant was determined to be incompetent to stand trial. The jury found the two remaining defendants guilty.

An investigation in North Carolina was predicated upon 22 separate acts of cross burnings and shootings at unoccupied residences. On September 23, 1985, a Federal Grand Jury in Asheville, North Carolina, charged nine individuals with Conspiracy Against Rights of Citizens (Title 18, Section 241, USC); Conspiracy (Title 18, Section 2, USC); Discrimination in Housing (Title 42, Section 3631, USC); and Perjury (Title 18, Section 1623, USC). As a result of other investigation, on January 7, 1986, a Federal Grand Jury in Asheville, North Carolina, returned a sixteen count indictment charging twelve Ku Klux Klan members with violating Title 18, Section 241, USC by conspiring to interfere with the rights of citizens and other related charges.

On August 3, 1985, an individual and his wife were arrested by FBI agents in La Jolla, California, and they were charged with violation of the ISS statutes. The subjects had beaten and imprisoned the victim, who was not permitted to communicate with anyone with the exception of the subjects. Extensive investigation was conducted in Nevada, California, and Hawaii which developed additional victims. Investigation is continuing.

On July 25, 1985, four New Jersey State Troopers were indicted by a Federal grand jury in Newark, New Jersey. One subject was charged with Deprivation of Rights under Color of Law, conspiracy to obstruct justice, and perjury. The remaining subjects were charged with conspiracy to obstruct justice and perjury. These indictments were based upon an incident on July 30, 1982, when the victim was arrested in a drunken condition. The victim was subsequently beaten with a flashlight and died as a result of the head injuries sustained.
The Federal investigation and prosecution was initiated subsequent to the local charges being dismissed in April 1983.

On April 25, 1985, a New Orleans Federal grand jury indicted local officers charging them with Police Brutality (Title 18, Section 242, USC) and other related charges. The indictments were based on an incident on April 18, 1985, when a local television reporter attempted to film an arrest where captioned subjects were beating an individual. The subjects subsequently beat the reporter and his cameraman. The entire incident was captured on film by the victim cameraman. On July 25, 1985, after a jury trial in New Orleans, all four subjects were convicted.

In November 1985, investigation was initiated concerning several incidents of harassment and violence directed against a black couple and an interracial couple who had moved into an all-white neighborhood in Philadelphia. As a result of this investigation agents of the Philadelphia Field Office arrested four individuals on January 7, 1986, and a complaint was filed charging the subjects with violating Title 18, Section 241, USC, (conspiracy to violate the constitutional rights guaranteed by Title 42, Section 1982, USC) and Title 18, Section 844 (f), USC (destruction of federal property). The arrests stem from an incident where the subjects had set fire to one couple's residence which had been returned to control of the Veterans Administration.

Program Changes: Increases of 463 positions and $46,188,000 are requested for 1987 for Other Field Programs. One major problem confronting the FBI is the growing lack of general support employees available in the field offices. The growing deficiency in general support positions was dramatically identified through a recent study. This study of all FBI field offices indicated that 73 percent (43 of the 59 field offices) considered their most critical resource requirement to be general support. General support employees are those who handle the day-to-day operations of an office, i.e., typing, filing, switchboard operations, etc. The lack of adequate general support staffing causes serious problems in a number of areas. Most critical is the inability to get expedite and routine typing accomplished. The average biweekly number of pages to be typed in FBI field offices for 1985 was approximately 39,500 pages and approximately 88,800 pages of tapes to be transcribed. To keep up with the incoming work, the FBI presently needs 94 additional typists in the field to stay current with routine typing and 361 additional typists to transcribe tapes on a timely basis. Examples of the causes for the deficiency are: (1) the increased use of electronic surveillance (Title III) as an investigative tool; (2) Field Office Information Management System (FOIMS) regional centers have been created and positions filled, but 89 positions are unfunded; (3) the FBI has created new positions, such as: electronic technicians (13 unfunded); language specialists (18 unfunded); Investigative Support Information System (ISIS) analyst/data loaders (66 unfunded); forfeiture analysts (9 unfunded); miscellaneous document examiners (65 unfunded); staffing assistants (49 unfunded); property custodians (41 unfunded); computer assistants (13 unfunded); National Narcotics Board Interdiction System (6 unfunded); and El Paso Intelligence Center (EPIC) personnel (6 unfunded); (4) the FBI has requested sufficient general support positions in the past; however, these requests have not been totally approved, even in program areas receiving large enhancements of special agents.

Another major staffing problem confronting the FBI is the result of the increasing use of computers. Fifty-five field offices are now utilizing personal computers requiring the services of data loaders on a regular basis. No funding has been received for these data loaders, and the FBI is forced to use personnel from the general support ranks, at the expense of their regular duties, to perform this task. Offices have become delinquent in the processing of mail, as well as other general support functions.

The FBI cannot continue its current investigative workload and maintain work in a current status with the number of general support personnel presently available. The FBI is not making any inroads into typing and other delinquencies and has only been able to support major cases, as the need arises, by using temporary duty assignments and overtime. The FBI utilized the equivalent of 263 workyears in support overtime during 1985. Detailed information regarding this decision unit can be obtained from the "Special Analysis of Field Programs Exhibit."

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime.....	2,588	2,521	$127,461	2,588	2,521	$130,826	2,696	2,611	$133,132	108	90	$2,306

Long-Range Goal: To reduce the sphere of influence and neutralize the adverse effect that organized criminal groups exert over the citizens of the United States by developing investigative programs that will approach this problem in a systematic, coordinated, and sustained manner.

Major Objectives:

To penetrate the hierarchy of the La Cosa Nostra and the Sicilian Mafia by identifying the leadership and membership of these groups in an effort to determine their complicity in criminal activity and thereby develop successful prosecutions for specific violations of Federal Statutes.

To further determine the extent of influence and control the La Cosa Nostra has established within the legitimate labor union community in the United States; to develop an aggressive and successful Labor Racketeering Program within the FBI that will neutralize this control and have a lasting and positive impact upon the nation's economy.

Through the cooperation of federal and foreign law enforcement agencies, identify, investigate, arrest, and prosecute individuals who organize, direct and/or finance high-level domestic or international drug trafficking enterprises and seize their assets for forfeiture. These groups would include the Sicilian Mafia, Colombian organized cartels, and Mexican networks. The FBI has developed a formalized and detailed plan to accomplish this objective.

To identify the hierarchy and membership of nontraditional organized crime groups such as outlaw motorcycle gangs, Oriental groups, and Cuban networks and determine their involvement in criminal activities in order to develop significant prosecutions to neutralize their effect on American society.

To continue the development and implementation of the Organized Crime Information System (OCIS) to assist the FBI in its efforts to collate information concerning organized criminal activity in the United States so that complex associations between members of organized criminal groups can be identified.

To plan, implement, and direct short-term and long-term undercover operations to collect evidence regarding individuals and criminal groups committing violations of federal statutes within the purview of the Organized Crime Program.

To provide resources necessary for the FBI to assume the functions required under the forfeiture provisions of the Controlled Substances Act, (Title 21 United States Code (USC)).

To provide overall coordination and management oversight of efforts relating to the use of criminal informants and sources and to the use of undercover techniques in support of investigative efforts and to perform a wide variety of administrative and investigative support functions.

To provide sophisticated and sensitive surveillance support to FBI investigations through the use of Special Operations Groups (SOGs) and Off-Premise Sites (OPS); to train agent personnel in the use of sophisticated technical and physical surveillance techniques; and, to provide overall coordination and management of the operations of SOGs/OPS.

To provide aviation support for FBI investigations and operations; to maintain service for the FBI owned aircraft; to purchase and/or lease aircraft; to train and certify agent pilots and copilots; and, to provide management and coordination of FBI aircraft program operations.

Base Program Description: This program addresses the problem of organized crime in the United States. Organized crime is defined as criminal acts committed by a group of individuals having a formalized structure whose primary objective is to obtain money through the use of violence or threats of violence, corruption of public officials, graft, or extortion, and which has a significant adverse effect on people in its locale, region, or the entire United States. Organized Crime groups affect the social, financial, and political framework of American society by directing and/or becoming involved in labor racketeering, corruption of public officials, illegal infiltration of legitimate business, loansharking, illegal gambling, narcotics, prostitution, and gangland slayings. There are few businesses or industrial sectors in our society that are not affected by organized criminal exploitation or penetration.

During 1984 and 1985, investigations concerning the criminal activities of members of La Cosa Nostra families resulted in developing intelligence information which indicates that many of the unions within the United States are being influenced or directed in an illegal manner by the La Cosa Nostra. Because these unions affect the very fabric of the American economy, investigations have been initiated and effort has been directed toward this problem to lessen the control or influence of Organized Crime over these unions.

Although the level of criminal activity and illegal influence of traditional organized crime groups such as the La Cosa Nostra and Sicilian Mafia have not lessened, the FBI has by necessity redirected some of its organized crime resources to the investigation of groups such as outlaw motorcycle gangs and ethnic and Oriental networks because of their activities involving illegal narcotics trafficking. These groups are extremely violence prone and are also involved in extensive criminal activity which includes extortion, loansharking, murder, corruption, and numerous other criminal acts.
Beginning in 1982, when the FBI received concurrent jurisdiction with DEA in the investigation of illicit narcotics trafficking, the FBI increased dramatically its involvement in the investigation of organized criminal groups trafficking in narcotics. It is interesting to note that both traditional and nontraditional organized crime groups are involved in illegal

narcotics trafficking. Through 1985, the FBI's Organized Crime Program was funded for 43 agents to perform narcotics investigations. During 1984, 489 agent workyears were expended on narcotics investigations and, in 1985, 523 workyears were used. The problem of illicit narcotics trafficking is considered to be the number one crime problem in the United States today. As a result, the FBI has recently developed a plan directed towards neutralizing the three most significant entities involved in narcotics trafficking: the Sicilian Mafia, Colombian cartels, and Mexican networks.

Although there are numerous Federal Statutes which organized criminal groups violate, the principal statutory authorities of the FBI's Organized Crime Program are Title 18 U.S.C., Section 1961-1968, which is commonly known as the Racketeer Influenced and Corrupt Organizations Statute (RICO) and, since the FBI was given concurrent narcotics jurisdiction, the Federal Narcotics Statute, Title 21, U.S. Code, which is referred to as the Controlled Substances Act.

Title V of Public Law 91-452 (The Organized Crime Control Act of 1970) authorizes the Attorney General to provide for the security of a Government witness or potential witness, whose life and person is placed in jeopardy by virtue of being a witness or intended witness in legal proceedings against any person alleged to have participated in organized criminal activity. Under this law, the Department of Justice designated the United States Marshals Service as the sole authority to arrange for the maintenance of persons designated as protected witnesses. Since the creation of the Office of Enforcement Operations to administer the Witness Security Program, new policies/procedures have expanded the responsibility of investigative agencies sponsoring individuals for inclusion in the Witness Security Program. This change, in effect, requires the sponsoring agency to expend resources relative to the protection of the witness, and/or his/her immediate family, prior to the assumption of responsibility for the protection of the witness by the United States Marshals Service.

In addition, this decision unit provides funding for the performance of certain critical support functions which are necessary for the investigation of criminal violations within the purview of the FBI's responsibility.

Organized Crime Information System

The Organized Crime Information System (OCIS) was designed to complement investigative efforts within the Organized Crime Program. It provides FBIHQ and selected field offices and resident agencies with nationwide computer technology-based capabilities which assist in the collection, collation, analysis, and dissemination of investigative information relative to organized crime matters. Within OCIS, particular emphasis has been placed upon link analysis of relationships which may exist between or among organized crime groups and narcotics cartels, and/or between corrupt organizations and union officials or business leaders or public officials. In view of its capabilities, OCIS plays an integral role in the FBI's efforts to determine the interrelationships among narcotics cartels and organized crime groups. OCIS enhances the FBI's ability to measure the influence of organized crime on society, as well as assisting the FBI in measuring the effectiveness of the FBI's Organized Crime investigations. As the OCIS data base of information expands and as the system develops with additional offices being brought on-line, the benefits of using OCIS will increase significantly. The present schedule for the implementation of OCIS calls for 47 field offices, 12 resident agencies, and three Legal Attache (Legats) posts to be "on-line" in the system by the end of 1987. Currently 35 field offices, nine resident agencies, and one Legat are "on-line".

Aircraft Operations:

The FBI provides a sophisticated surveillance capability to the field in the form of aircraft support. Extensive investigations in the areas of organized crime, white-collar crime, counterterrorism, and foreign counterintelligence have demonstrated an expanding need for a sophisticated modes of conducting physical surveillance in numerous environments. An aircraft is capable of discreetly maintaining contact with a moving target even though the target is using evasive maneuvers to elude surveillance. The aircraft is in a position to recognize evasive maneuvers and can direct accompanying ground units clear of the target, where ground units might be unable to get close enough to observe the target without detection. By utilizing an aircraft, a successful moving surveillance can generally be conducted using one-half the number of special agents and automobiles that would normally be required.

Aircraft can be equipped with vehicle tracking devices and photography equipment. The capabilities of such equipment can be greatly enhanced by the use of an airborne platform. Aircraft are equipped with FBI radios, thus allowing them to function as airborne repeaters and Command and Control vehicles when the need arises. The aircraft generally perform one or more of the following missions during each flight:

Surveillance	Aerial Photography	Maintenance/Test
Ferry	Training	Command and Control
Communications Relay	Protection of Law Enforcement Personnel	Assist Other Agency
Undercover Flight Operations		Ground Search
Title III Support	Expedite Transportation	

Undercover and Sensitive Operations:

The undercover technique has opened avenues of investigative pursuit not available in the context of the traditional investigative process. The presence of an undercover special agent provides firsthand special agent testimony relating to the nature and the scope of the criminal activities, the extent of involvement of the various offenders, and the location of items of evidence. Undercover agents are often able to obtain evidence relating to the knowledge, intent, and predisposition of individuals involved in criminal activity which, combined with the use of audio and/or video tapes, produces the strongest and most convincing evidence in a court of law. Undercover agents have the ability, in certain situations, to penetrate the highest levels of criminal activity; heretofore unreachable.

The undercover technique also allows for more effective and safer use of sources and informants, in that the information obtained from the undercover operative may preclude the necessity for sources/informants to testify in court. In addition, undercover operatives often obtain evidence of past and planned crimes. In the instance of a planned crime, the undercover technique affords the FBI the opportunity to take a proactive approach, rather than investigating solely after the fact.

First-hand testimony from undercover agents increases the chance of conviction and thus reduces the necessity to offer immunity or reduced charges to defendants and of using convicted felons or former confederates in order to prosecute higher echelon subjects.

Special Operations Groups/Off-Premise Sites:

With the increasing complexity of FBI cases, it became evident that the previous methods of information gathering were not always entirely adequate to meet revised priorities. Quality cases frequently involve a greater number of, and a more sophisticated type, of subject. These cases are often protracted and generally involve difficult to detect conspiratorial activity.

To address this need Special Operations Groups (SOGs) were formed, operating out of covert premises situated apart from overt FBI facilities. The groups are used to support the integrated functions of surveillance, tactical mobility, undercover operations, sensitive and complex Title III electronic surveillance installations, and the tracking of extremely sensitive and surveillance-conscious subjects. Other off-premise sites were created to provide covert storage facilities for surveillance vehicles and to support undercover and other sensitive operations.

SOGs are merely the continuation of investigations by other means and their methods are not secondary to case squad methods, but are an adjunct to them. They provide a dimension to investigative operations which is unique and cannot be duplicated by other means. In many instances, the SOG develops information so significant, it completely changes the direction of the existing investigation. It has been demonstrated that the SOG agent when properly trained, experienced, equipped, and supported, can be an extremely efficient, cost-effective, and rapid way of shaping the investigator's suspicion into the prosecutor's fact. SOGs can provide a rapid FBI presence in situations where individuals, locations, or circumstances must be secured or controlled.

Accomplishments and Workload:

The statistical accomplishments for the Organized Crime Program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative matters pending the beginning of the year	8453	8632	8700	8700
Title III installations	107	147	150	150
Organized Crime Informants Matters	2980	2935	3000	3000
Arrests	1569	1564	1575	1574
Indictments	1827	1861	1900	1900
Complaints	580	629	630	630
Informations	327	231	230	230
Convictions	1484	1601	1625	1625
OCIS Field Locations	45	50	57	64

Organized Crime Investigations:

During 1985, organized crime investigations resulted in 1601 convictions. Included in that statistic are a significant number of convictions of traditional organized crime members and their associates, convictions of nontraditional organized crime members and their associates, and convictions of union members and public officials. These convictions included 934 for narcotics violations, 263 for corruption violations, 117 for illegal gambling violations, 84 for loansharking violations, 23 in the area of prostitution, 44 for labor racketeering violations, 53 for arson violations, 19 for involvement in gangland slaying matters, 12 which are related to the area of infiltration of legitimate business by organized crime elements, seven for involvement in the field of pornography, 19 for violations involving sexual exploitation of children, and 26 for involvement in a variety of miscellaneous violations. In addition, 1,160 individuals were indicted, and $6,117,000 in fines, $191,418,000 in recoveries, restitutions, and court ordered forfeitures, and $46,811,000 in Potential Economic Loss Prevented were obtained as a result of investigative efforts expended in the Organized Crime Program during 1985.

During 1985, the FBI targeted the illegal activities of several of the La Cosa Nostra families for investigation. As a result of these investigations, two "bosses", one "underboss", one "consigliere", six "capodecinas", 10 "soldiers" and 105 associates of organized crime family members were convicted for various Federal violations. These accomplishments resulted in a lessening of the deleterious influence which the La Cosa Nostra families have had on American society. Although the FBI has been successful in several of its investigations of La Cosa Nostra families, their influence on everyday America life continues.

During 1985, investigations involving public corruption resulted in the convictions of 15 local law enforcement officers, eight local former officers, four state officers, three local public officers, one local judge and one federal officer.

Investigations of nontraditional organized crime groups brought convictions against 76 members of these groups and 75 of their associates for narcotics, corruption, loansharking, and arson violations as well as for their involvement in gangland slayings. Of the 76 members convicted, several were considered leaders of their respective organizations.

As a result of Labor Racketeering investigations one ex-director, one president, one vice-president, one former president, one financial secretary, one secretary/treasurer, two trustees, one steward, seven members, 10 business agents, and four affiliates of labor unions were convicted for illegal activities.

Specific organized crime case accomplishments follow. They are indicative of the complex, long-term, and personnel-intensive organized crime investigations being conducted by the FBI in which a wide variety of sophisticated, investigative techniques are being utilized.

An investigation was initiated in April 1978 in an effort to prevent a gang murder by the Kansas City La Cosa Nostra family. In June 1978, an electronic surveillance unexpectedly intercepted discussion of an apparent hidden interest in the Argent Casinos in Las Vegas. The investigation determined that the Kansas City La Cosa Nostra family held a hidden ownership in the

Tropicana Casino and was skimming funds. A family member was also representing the Kansas City La Cosa Nostra in efforts to restructure a similar hidden ownership and skimming interest to be shared by the Kansas City, Cleveland, Milwaukee, and Chicago families in the Argent Casinos. The importance of this investigation is that it established that the hidden equity interests in these business ventures by individuals barred from legally holding such interests was effected through influence over an international union and the ability to direct the usage of the pension and welfare fund assets. As of November 1985, several subjects have pled guilty to charges. The majority of the subjects involved in this investigation were convicted in January 1986, including the "boss", "underboss", and two "capos" of the Chicago La Cosa Nostra family.

An investigation of a large-scale, international Sicilian heroin trafficking enterprise operating within New York/New Jersey was opened in October 1984. The subjects of this investigation were documented members of a La Cosa Nostra family in New York. Several Title III electronic surveillances and an undercover operation were authorized in this investigation. As a result of efforts in this case, in March 1984, five subjects were arrested and charged with conspiracy to distribute heroin. Eight additional subjects were arrested and charged with conspiracy to distribute cocaine. In December 1984, four of these subjects were convicted and sentenced. Eight of the subjects have been convicted of the cocaine conspiracy.

An investigation was initiated in December 1983, which targeted the five La Cosa Nostra families located in New York City as a criminal enterprise. The investigative techniques utilized in this investigation were extensive. In excess of 80 Title III electronic surveillances were used by the New York Division as well as physical surveillance, informant information, cooperating witnesses, and an undercover agent to amass information relating to the illegal activities of this criminal enterprise. Several state and local agencies assisted the FBI in this investigation. On February 25, 1985, a Federal grand jury returned a 15-count indictment charging four La Cosa Nostra "bosses", one "acting boss", two "underbosses", one "consigliere" and one family member as participants in the "La Cosa Nostra Commission". All of these subjects were charged with various RICO violations, including Hobbs Act-Extortion, murder, and labor racketeering. All but two of these subjects were arrested. In May 1985, a superseding indictment was returned charging the previously indicted subjects with extortion, labor payoffs and Extortionate Credit Transactions. Two additional subjects, including the "boss" of another La Cosa Nostra family, were named in this indictment as participants in the "Commission".

An investigation was predicated in March 1978, upon information that organized crime was controlling the air freight industry at John F. Kennedy (JFK) International Airport through labor racketeering. It has been determined through this investigation that the Luchese La Cosa Nostra family controlled the air freight industry through direct control of two Teamster Locals. Title III electronic surveillance coverage as well as consensual monitoring, informant information and cooperating witnesses were utilized in support of the investigation. In May 1984, an associate of the Bonanno La Cosa Nostra family was indicted and charged with 25 counts of various violations. This subject was convicted in September 1984. In February 1985, eleven individuals were indicted in the Eastern District of New York. Included in these indictments were one "underboss", two "capodecinas", two family members, and one reputed member of the Luchese La Cosa Nostra Family, as well as a president, a vice-president, and a former vice-president of the two Teamsters Locals that were involved. This investigation is a very significant labor case in that organized crime figures working in conjunction with top union officials have for the past 20 years controlled all trucking functions in and around JFK International Airport.

As the result of a three-year investigation of the illegal activities of members of the Hell's Angels Motorcycle Gang (HAMG), simultaneous arrests of over 105 HAMG members and their associates took place on May 2, 1985, throughout 15 FBI field office territories. The national president of the HAMG was among those arrested. In connection with these arrests, computer equipment, narcotics, records, and over 100 firearms were seized. Over 500 law enforcement officers, including FBI, DEA, and ATF Agents and multiple state and local law enforcement officers, participated in the arrests/seizures. Extensive Title III electronic surveillance coverage, informant information, and sophisticated physical surveillance techniques were utilized to support/facilitate investigative efforts in the case. The charges against HAMG members ranged from violations of the Federal narcotics statute to Federal firearms violations in addition to local charges.

An FBI investigation began in October 1984, following the gangland style murder of Henry Liu, a Chinese/American journalist. In May 1985, this became a joint FBI/New York City Police Department undercover investigation targeted at the United Bamboo Organization. The United Bamboo is a Taiwan-based organized crime group which is involved in numerous violations, including murder, distribution of heroin and marijuana, kidnaping, illegal gambling, bribery, extortion, and murder-for-hire. Consensual monitoring and undercover techniques have been utilized to assist in this investigation. Twelve subjects have been arrested.

An investigation regarding the Ghost Shadow Gang began in November 1982, based upon information from a cooperating witness. The Ghost Shadow Gang is a Chinese youth gang which is affiliated with the On Leong Tong in New York. It has been alleged that the Ghost Shadow Gang has been involved in extortion, murder, narcotics, gambling, kidnaping, armed robbery, and bribery. A Title III electronic surveillance as well as consensual monitoring was utilized to gather evidence in the case. In December 1984, 25 members of the gang were indicted by a Federal grand jury on RICO violations. Twelve gang members had been arrested as a result of these indictments and six others were in custody on other charges.

An investigation was initiated in April 1983, based upon information indicating that several individuals were attempting to organize the importation of cocaine from Colombia, South America, into the State of Oklahoma. In July 1983, six subjects were arrested as they were unloading 465 pounds of cocaine from an aircraft. Nine subjects have been convicted for various Title 21 violations. This investigation has also determined that two Miami businessmen and one Florida attorney are members of this cocaine smuggling operation.

An investigation, opened in February 1984, involved a significant group of Cuban-Colombian narcotics traffickers who smuggled multi-kilo quantities of cocaine into the United States from South America. This investigation has been pursued through the use of Title III electronic surveillance coverage and undercover techniques. Ten principal subjects have been indicted for various Title 21 violations. Nine of these subjects have entered guilty pleas and 30 additional subjects have executed plea agreements.

Allegations by a cooperating witness that numerous Philadelphia police officers were engaged in the extortion of video poker machine vendors, tavern owners, operators of houses of prostitution and local numbers writers have been the subject of an investigation opened in May 1981. Eighty consensual recordings of the suspected officers were made during the covert stage

of this investigation. Thirty-four police officers have been indicted. The most recent indictment was returned in August 1985, and involved charges against four police officers and a former chief inspector. These officers have been charged with violations of the Hobbs Act statute. Twenty-four of these indicted officers have been convicted, three have been acquitted, and seven are currently awaiting trial.

An investigation of police corruption within the Police of Puerto Rico (POPR) was initiated by the San Juan Division in June 1980. This investigation, worked jointly with the Special Investigations Bureau (SIB), Commonwealth Department of Justice, Puerto Rico, and DEA, was predicated on the revelation that many of the serious criminal problems in Puerto Rico involved organized criminal activity and corruption within POPR. The investigation revealed that several organized crime groups existed in Puerto Rico, some of which had had their activities directed by high-ranking members of POPR, while other groups were led by individuals closely associated with members of the POPR or had members who were officers of POPR. Over 400 crimes have been attributed to this organized criminal network comprised of over 350 individuals. Sixteen law enforcement officers had been convicted and additional public officials were currently under investigation.

An investigation was opened in 1976 based upon information identifying public officials in Cook County, Illinois, who were involved in "fixing" cases. In April 1980, this investigation began an undercover operation. Title III electronic surveillance coverage was utilized in December 1980. Thirty subjects had been indicted, 22 of the indicted subjects had been convicted, two had been acquitted, and six were pending trial. Four judges, nine attorneys, six Chicago police officers, one court clerk, and two deputy sheriffs are among those convicted as a result of this investigation.

A four-and-one-half year investigation utilized extensive court-approved electronic surveillances, undercover operations, and cooperating witnesses to target the Colombo La Cosa Nostra family and their involvement in widespread extortion in the construction and restaurant industries in New York City. It had been determined that this family had deeply infiltrated major portions of this city's economy and that they controlled no fewer than seven key organizations. In October 1984, a Federal grand jury returned a 51 count indictment against 11 members and associates of the Colombo La Cosa Nostra family. The indictment charged extortion and payoffs, mob control of labor unions, embezzlement of union funds, trafficking in heroin and other drugs, multi-million dollar thefts, illegal gambling, loansharking, and bribery. Three individuals who had served at various times as "boss" of the family, four "capodecinas", two family members, and two associates of family members were among those indicted as a result of investigative efforts in this case.

A nearly three-year intensive investigation of the Bonanno La Cosa Nostra family enterprise revealed the existence of a typical "club" bidding structure involving four moving companies and clothing manufacturing companies, the Bonanno La Cosa Nostra family, and the International Brotherhood of Teamsters (IBT) Local 814. Bids were entered on a rotating basis with each major company taking its contract in turn. The "winning bid" was always substantially above actual cost plus profit and included an additional five percent kickback to the La Cosa Nostra. The effectiveness of this club precluded competitive bidding on a variety of local, state, and Federal agency contracts as well as contracts let by private companies. Among the contracts affected by this corrupt bidding practice was the award of a contract in 1978 to relocate the New York FBI office from East 69th Street to 26 Federal Plaza. This investigation corroborated that in excess of $200,000 had been paid in

kickbacks to officials of Local 814 and their mentors in the Bonanno La Cosa Nostra hierarchy. The extensive use of Title III electronic surveillances in this case has opened other areas of investigation. In June 1985, 17 persons were indicted and arrested. They were identified as the Bonanno Family "boss", the former "underboss", "a capodecina", a family associate, a Genovese La Cosa Nostra family "soldier"; the President of an IBT local, the secretary/treasurer, three business agents, and an organizer of the IBT local; the chief operating officers of four of the largest commercial moving companies in the New York area; and, the owner of a clothing manufacturing company.

Organized Crime Information System:

In order to illustrate the value of OCIS to investigative efforts in the Organized Crime Program, a number of examples in which the system has been effectively employed are set forth below. The examples cited appreciably reduced the agent workyear commitment usually devoted to manual retrieval of the information now obtained through use of OCIS and/or to efforts associated with time-consuming methods of exchanging investigative information without computer assistance. In each instance, retrieval of data and subsequent analysis of the information acquired through use of the system were accomplished by OCIS analysts. As a direct result of the efforts of these analysts, coupled with their use of OCIS, agent personnel were able to accomplish their investigative responsibilities in an effective and highly efficient manner while at the same time devoting their time to the most complex aspects of their investigative responsibilities.

OCIS analysts traced complex associations between members of two different La Cosa Nostra families who were involved in gasoline bootlegging. This particular project saved the case agent over 100 workhours which would have been required in order to manually search closed files to obtain the information which was retrieved with computer speed from OCIS.

Through an analysis of Pen-Register data conducted by an OCIS analyst, a number of contacts were discovered between a La Cosa Nostra associate known to be dealing in narcotics and individuals who were subjects of nonrelated investigations. As a direct result of this analysis, sufficient probable cause was developed and incorporated into an affidavit for a Title III electronic surveillance.

An analysis of information on several individuals which was contained in OCIS revealed connections between heroin traffickers in New Orleans and Kansas City. Further analysis revealed links between some of those individuals and the La Cosa Nostra, as well as links between one individual and two other investigations. The information from OCIS subsequently served as probable cause for a Title III electronic surveillance affidavit.

OCIS information regarding a member of the Hell's Angels Motorcycle Club in South Carolina assisted a case agent in identifying the person responsible for the robbery of a Massachusetts gun shop of thirty-three handguns.

During an interception of a conversation pursuant to a Title III electronic surveillance, a La Cosa Nostra member was overheard discussing a "hit" on two unknown victims with two individuals known only as "Doc" and "The Bear." Using OCIS, an analyst was able to positively identify "Doc" and "The Bear" in a minimal amount of time. The efforts of the analyst led to the arrest of three subjects on murder charges.

A union official and suspected La Cosa Nostra member were tried for assault in connection with a labor grievance. The trial resulted in a hung jury. In preparation for a new trial, a Strike Force Attorney requested any information concerning prior acts of violence on the part of one of the individuals. OCIS contained information implicating this subject in a La Cosa Nostra murder.

Through a comparison of a list of a New York La Cosa Nostra family member's associates and a review of corporate records, which was facilitated through the use of OCIS, a connection was established between the New York and Cleveland La Cosa Nostra families. It was discovered that an associate of the New York La Cosa Nostra family member and the Acting Boss of the Cleveland family were both listed as officers of the same company.

A link analysis conducted with OCIS which outlined previously unknown relationships among three unions and suspect companies in the midwest and New York was provided to the Chicago Division's Labor Racketeering Squad. Criminal dominance by certain labor union leaders through labor racketeering, loansharking, and extortion was also established.

Bail was revoked for a La Cosa Nostra member when a search of OCIS determined he was continuing his association with known criminals, a direct violation of bail conditions.

OCIS was searched using only the first-name alias of an individual who was negotiating the sale of weapons and narcotics to an undercover agent. As a result of this search of information contained in OCIS, the agent was able to fully identify the individual in a minimal amount of time.

OCIS was utilized extensively in the major Sicilian Mafia heroin trafficking investigation in New York known as the "Pizza Case". This investigation involved investigative efforts in over ten FBI field divisions as well as in the countries of Italy, Brazil, Spain, and Canada. Information developed through physical surveillances and through Title III electronic surveillance coverage was incorporated into OCIS. Through use of OCIS, the preparation of complex affidavits in support of Title III electronic surveillance coverage was greatly facilitated. Moreover, efforts to cull evidence that was necessary for the indictments from the voluminous amount of data that had been amassed during the investigation were greatly facilitated through the use of OCIS. Without the availability of OCIS, this investigation would have required the expenditure of thousands of additional agent workyears.

59-584 O—86——6

Aircraft Operations:

In addition to normal field office operations, numerous FBI special investigations were supported throughout the country. These include six major specials where pilots and aircraft were furnished on a temporary basis to field divisions. Major temporary assignments required 14 pilots for one-week assignments, 132 pilots for 15-day assignments, and 64 pilots for 30-day assignments, for a total of 3,998 days, not including travel time.

During 1985, the aircraft equipped with a Forward Looking Infrared (FLIR) platform, assigned to FBI Aircraft Operations, participated in approximately 30 major investigations across the United States requiring night surveillance. In two instances, surveillance by the FLIR aircraft led to arrests of subjects and recovery of ransom in kidnaping cases. Two major surveillances conducted with this system assisted in the location and arrests of numerous subjects involved in terrorist activities. The system was utilized to cover narcotics exchanges and to protect the safety of undercover agents. A top ten fugitive arrest was facilitated by night surveillance conducted by the FLIR system.

Undercover Operations:

The undercover technique gives investigators the opportunity to penetrate close-knit criminal organizations such as the La Cosa Nostra and the Hell's Angels and Pagan Motorcycle Gangs who normally use violence or intimidation to silence their victims or hide their criminal activity. Accomplishments cited in the Organized Crime Investigations portion of this section illustrate specific instances where undercover operations have been successfully employed. Statistically, from 1983 to 1985 indictments in the Organized Crime Program cases utilizing the undercover technique increased 26.6 percent, from 815 to 1032. Convictions for the same period increased 104.5 percent from 337 to 689. Indictments and convictions in Organized Crime Program narcotics matters (non-Organized Crime Drug Enforcement Task Force) utilizing undercover operations increased 17.3 percent and 121.4 percent, respectively. Undercover operations will continue to be an effective means for investigators to penetrate narcotics cartels and networks.

Special Operations Group/Off-Premise Sites:

Since 1979, the number of Special Operations Group/Off-Premise Sites has increased from 10 divisions operating 13 Special Operations Groups and 3 Off-Premise Sites to 21 divisions operating 26 Special Operation Groups and 14 Off-Premise Sites. Special Operations Groups were organized to investigate, observe, and penetrate ongoing criminal activity for the purpose of gathering evidence. Their continued emphasis has been to target organized crime investigations. During 1985, on more than 25 occasions, Special Operations Group teams comprised of 6 agents were directed to divisions needing Special Operations Group expertise for an extended period of time. One instance occurred when 12 Special Operations Group teams were detailed to assist a western division office. During 1985, a total of 478 workyears were expended by SOGs in support of all investigative programs, although the majority of this effort was in support of organized crime investigations.

Program Changes:

An increase of 108 positions is requested for the Organized Crime program. One major problem confronting the FBI is the growing lack of general support employees available in the field offices. The growing deficiency in general support positions was dramatically identified through a recent study. This study of all FBI field offices indicated that 73 percent (43 of 59 field offices) considered their most critical resource requirement to be general support. General support employees are those who handle the day-to-day operations of an office, i.e., typing, filing, switchboard operations, etc. The lack of adequate general support staffing causes serious problems in a number of areas. Most critical is the inability to get expedite and routine typing accomplished. The average biweekly number of pages to be typed in FBI field offices for 1985 was approximately 39,500 pages and 88,800 pages of tapes to be transcribed. To keep up with the incoming work, the FBI presently needs 94 additional typists in the field to stay current with routine typing and 361 additional typists to transcribe tapes on a timely basis.

The FBI cannot continue its current investigative workload and maintain work in a current status with the number of general support personnel presently available. The FBI is not making any inroads into typing and other delinquencies and has only been able to support major cases, as the need arises, by using temporary duty assignments and overtime. The FBI utilized the equivalent of 263 workyears in support overtime during 1985.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime Drug Enforcement	446	446	$33,000	446	446	$33,581	486	480	$34,436	40	34	$855

Long Range Goal: To identify, investigate, and prosecute members of high-level drug trafficking enterprises, and to neutralize the operations of those organizations.

Major Objectives:

To target, investigate, seize the assets and prosecute members of organized criminal groups, such as the La Cosa Nostra, Sicilian Mafia, Colombian cartels, and Mexican networks, who engage in high-level drug trafficking enterprises, and to severely disrupt the organizational base of these traffickers.

To promote a coordinated drug enforcement effort in each Organized Crime Drug Enforcement Task Force (OCDETF) area and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with federal, state, and local agencies involved in drug enforcement.

To make full use of financial investigative techniques, including tax-law enforcement and forfeiture actions, to identify and convict high-level traffickers and enable the Government to seize assets and profits derived from high-level drug trafficking.

To plan, implement, and direct short-term and long-term undercover operations to collect information and evidence relating to individuals and criminal groups committing major narcotics violations being addressed by Organized Crime Drug Enforcement Task Forces throughout the country.

To recruit, direct, and maintain a network of criminal informants and sources capable of obtaining intelligence information on past, current, and proposed narcotics activities of individuals and enterprises involved in high-level drug trafficking.

Base Program Description: The investigative jurisdiction of the FBI in narcotics matters is based on Attorney General Order Number 968-82, dated January 28, 1982. The order authorizes the Director of the FBI, concurrently with the Administrator of the Drug Enforcement Administration (DEA), to investigate violations of the criminal drug laws of the United States. These violations are detailed in the Comprehensive Drug Abuse Prevention and Control Act of 1970, also referred to as the Controlled Substance Act (Title 21, United States Code (USC)). Executive Order 12368, dated June 29, 1982, announced the formulation of policy regarding the coordination and oversight of international and domestic drug abuse. Subsequently, on October 14, 1982, the President directed that 12 task forces be formed to coordinate a nationwide initiative by federal, state, and local law enforcement agencies to investigate and prosecute major drug traffickers, organized crime figures, and others involved in illicit narcotics activity. In 1985, funding was provided for the creation of a 13th task force to operate in southern Florida.

It is estimated by governmental agencies that as many as 41 million people in the United States spend approximately $80 billion annually on heroin, cocaine, marijuana, and hashish. Illicit narcotics activities are a source of large profits for organized crime and other major traffickers. These profits are often funnelled into other enterprises fostering a cycle of criminal activities, political and police corruption, and creating a heavy financial burden on every United States citizen. In addition to the financial burden which must be borne by the public, law enforcement statistical data reveal that a large percentage of violent personal crimes are related to narcotics activities.

In its Organized Crime Drug Enforcement Task Force Program, the FBI has concentrated allocated resources toward dismantling narcotics networks involving the La Cosa Nostra and non-traditional organized crime groups, such as the outlaw motorcycle gangs.

In 1983, the FBI received an allocation of 322 special agents for Organized Crime Drug Enforcement Task Force matters. In 1985, funding was provided for a total of 360 agent workyears. In 1985, the FBI expended 538 agent workyears to address OCDE matters and was conducting investigation in more than 400 Organized Crime Drug Enforcement Task Force cases. The FBI's commitment of resources to this program reflects the priority given the Organized Crime Drug Enforcement Task Forces by the President and the Attorney General. The FBI's experience in Organized Crime Drug Enforcement Task Force cases indicates that these investigations are resource intensive because of the necessity which exists in these cases to employ Title III electronic surveillances, long-term undercover operations, and sophisticated physical surveillances to develop evidence of the violations involved. The significance of the coordinated law enforcement effort directed against organized criminal groups involved in drug trafficking

cannot be overstated. Resources in this program are being used to address some of the most significant drug investigations currently underway at the Federal level.

Accomplishments and Workload: Actual and estimated accomplishments in Organized Crime Drug Enforcement Task Force investigations from 1984 to 1987 are set forth below:

	1984	1985	Estimates 1986	Estimates 1987
Investigative Matters pending beginning of the year	744	1,152	900	900
Title III Installations	114	98	75	75
Arrests	862	1,375	1,070	1,070
Indictments	1,291	1,940	1,515	1,515
Complaints	492	535	415	415
Informations	81	158	120	120
Convictions	710	1,365	1,060	1,060

During 1983, Organized Crime Drug Enforcement Task Force investigations resulted in the conviction of 70 individuals and 406 indictments. During 1984, these investigations resulted in the conviction of 710 individuals and 1,291 indictments. During 1985 these investigations resulted in 1,365 convictions and 1,940 indictments.

The cases mentioned below are typical examples of investigations conducted by Organized Crime Drug Enforcement Task Forces throughout the United States. In addition, they illustrate the fact that these investigations are long-term, complex, and require use of labor-intensive investigative techniques.

A joint FBI/DEA investigation, opened in April 1983, evolved from an investigation of a close-knit group of Puerto Ricans into a nationwide investigation of various members of the Herrera Organization in the FBI's Chicago, Denver, El Paso, Indianapolis, and Los Angeles field offices. The Herrera Organization is estimated to have 5,000 to 7,000 members nationwide and to supply 85 to 90 percent of all Mexican heroin entering the United States. This investigation utilized six Title III electronic surveillances. As a result of this OCDETF investigation, in July 1985, 132 subjects were indicted for various violations of Title 21, U.S. Code. One hundred eight subjects have been arrested in the case.

A joint FBI/DEA investigation in the western United States, which was opened in December 1983, has evolved into a Group I undercover operation which focuses upon Peruvian and Colombian Nationals involved in the trafficking of cocaine. Nine Title III electronic surveillances have been utilized in this investigation. In March 1985, a Federal grand jury indicted 98 subjects for various violations of Title 21, U.S. Code. It is noteworthy that three of the subjects indicted were charged with violation of the Continuing Criminal Enterprise Statute. Eighty-one subjects have been arrested in this matter.

Based on information provided by a cooperating witness, an investigation was initiated in June 1984, of a major international heroin and cocaine trafficking ring operating from the New York/New Jersey area. This international ring had domestic connections extending to Florida and international connections in Colombia and Canada. This investigation has employed Title III electronic surveillance coverage and has involved use of undercover techniques. Thirty-six subjects have been convicted.

The corruption of several locally prominent public officials and the activities of a criminal group engaged in high-volume narcotics smuggling and contract murders has been the subject of an investigation initiated in 1983. This investigative effort has been centered in the southeastern United States and has involved the use of Title III electronic surveillances. Twenty-one subjects have been convicted as a result of this investigation. In October 1985, 20 additional subjects were indicted based upon this investigation.

As a result of separate investigations within 15 FBI field divisions of the illegal activities of members/associates of the Bandido Motorcycle Gang, eighty-eight (88) members and associates of the gang were arrested in a well-coordinated and simultaneous nationwide arrest effort conducted on February 21, 1985. The FBI, DEA, Bureau of Alcohol, Tobacco, and Firearms, and various state and local law enforcement agencies participated in the arrests. During search efforts, in excess of 200 firearms were seized, including fully-automatic weapons, handguns, shotguns, and explosives. In addition, narcotics, drug related paraphernalia, and drug distribution records were seized.

An investigation was initiated in June 1982, which focused upon the illegal activities of certain members and associates of the Pagans Motorcycle Gang, who were involved in the gang's activities at the national level. In July 1984, a Federal grand jury had indicted 35 high-ranking members of the gang and gang associates on charges of drug trafficking and involvement in racketeering activities. Thirty-five members of the gang, including the national president, vice-president, sergeant-at-arms, treasurer, and gang associates have been convicted. It is noteworthy that this is the first time in the history of the outlaw motorcycle gangs that the top four office holders of a gang had been indicted and convicted under the RICO Statute.

Based on source information received in June 1983, an undercover operation was conducted to collect information and evidence regarding the distribution of heroin and cocaine by La Cosa Nostra subjects in the New York City area. A Title III electronic surveillance and pen registers were used to facilitate investigative efforts in this case. Twelve subjects have been arrested in this investigation. In addition, a subject of the case has been arrested in connection with another matter.

A joint FBI/New York City Police Department investigation initiated in February 1983, evolved into an undercover operation which focused upon the activities of a major Sicilian heroin importation and distribution network operating between Italy and the New York area. The principal subject of the case was established to be smuggling heroin into the United States utilizing his business as a conduit. Sophisticated investigative techniques were used in the investigation, to include undercover operations, pen-registers and Title III electronic surveillance. Italian authorities and the FBI cooperated in this investigation, which resulted in the arrest of twenty-five (25) individuals in Italy and the United States. Three subjects have been found guilty of charges developed in this investigation.

An investigation was initiated in November 1983, which has focused upon the importation and distribution of heroin in the New York City area by the Sicilian Mafia. In addition to the use of an undercover officer and devoting efforts to the purchase of narcotics in connection with the investigation, a Task Force employed Title III electronic surveillance coverage and consensual monitoring to develop evidence of narcotics trafficking in this investigation. In December 1984, 19 subjects were arrested and in March 1985, six additional subjects were charged with violation of Title 21, USC, Section 841.

In January 1982, an investigation was initiated which has focused upon money laundering and heroin importation conducted by La Cosa Nostra and Sicilian Mafia figures. This investigation involved the use of 70 Title III electronic surveillances in a nationwide effort to assist the New York field office. The efforts of the FBI and DEA, along with those of Canadian and Italian authorities, have resulted in numerous arrests in Italy and the United States. In February 1985, 35 subjects were indicted for narcotics violations. In May 1985, a Sicilian Mafia member was convicted for violation of Title 21, USC, Section 846.

The foregoing narrative cites specific instances in which undercover techniques were successfully employed by OCDETF. The successful use of undercover techniques has dramatically contributed to the increase in program accomplishments from 1983 to 1985. In that regard, OCDETF matters in which undercover operations were utilized resulted in 151 indictments in 1983. Indictments for 1984 and 1985, totalled 475 and 570 respectively. Convictions increased from seven in 1983, to 115 in 1984, and 340 in 1985.

It is thus evident that the use of undercover techniques has allowed OCDETF law enforcement agencies to penetrate illicit narcotics cartels and networks which use violence and intimidation to silence the testimony of potential witnesses and their victims as well as to hide their illegal activities.

Program Changes: An increase of 40 positions is requested for 1987 for the Organized Crime Drug Enforcement Task Force program. These positions will be utilized to increase the general support complement primarily in an effort to alleviate the extensive backlog of typing. The use of Title III installations and consensual monitoring continues to be an effective investigative technique. However, these techniques require extensive typing of manuscripts; without these positions investigations, and the subsequent prosecutions, are delayed. The overall ability of the FBI to address new investigative matters and utilize the data collected from Title III's requires that the tape and typing backlogs be reduced. For example, the continued diversions of general support to OCDETF without additional funding has exacerbated the critical problems experienced in numerous other investigative programs. Without additional general support to address typing requirements in support of Title III applications utilized in OCDETF, investigations cannot continue to successful prosecutions. Additionally, positions will not exist to enhance the Organized Crime Information System as well as the Investigative Support Information System in support of OCDETF. The general support resources requested will enable the FBI to meet the demands placed upon it by Joint Task Force Operations in narcotics and terrorism, as well as address forfeiture responsibilities that continue to increase with the Comprehensive Crime Control Act of 1984. Forfeiture positions will not exist to process assets forfeited in the OCDETF investigations to provide additional revenue to the Federal government.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
White-Collar Crime....	2,937	2,850	$147,196	2,937	2,850	$150,990	3,054	2,948	$153,491	117	98	$2,501

Long-Range Goal: To reduce losses in Government programs, private sector businesses, and labor unions from corruption, fraud, and embezzlements; and to provide investigative assistance to the Department of Justice (DOJ), including United States Attorneys throughout the United States in Civil and Antitrust matters.

Major Objectives.

1. To identify, investigate, and obtain prosecution in major fraud against the Government cases involving illegal practices by program and project management officials and officers of firms doing business with or for the Federal Government.
2. To identify, investigate, and obtain prosecution of Federal violations involving systematic corruption by Federal, state, and local executive and management level public officials.
3. To identify, investigate, and obtain prosecution of Federal fraud, bribery, and embezzlement violations committed by bank officers, directors, customers, and owners, particularly those that result in the financial institution's failure, or merger in lieu of failure.
4. To identify, investigate, and obtain criminal prosecution of Federal fraud violations committed by officers, directors, and major stockholders of financial institutions such as commodity futures brokerages, boiler rooms, offshore banks, commercial financing firms, and organizations dealing in fraudulent or stolen securities involved in interstate or foreign commerce.
5. To identify, investigate, and obtain criminal prosecution of Federal fraud violations committed by officers, directors, and owners of major companies involved in the illegal disposal of toxic waste.
6. To establish new and innovative means of collecting and collating White-Collar Crime Program (WCCP) data from multiple sources in order to identify high impact white-collar criminal organizations for subsequent investigation.
7. To support the Antitrust Division of the Department of Justice in the enforcement of antitrust statutes in high-impact cases by conducting the necessary investigations.
8. To support the Civil Division of the Department of Justice and United States Attorneys throughout the country in representing significant Government interests in civil matters.
9. To identify, investigate, and obtain criminal prosecution of corrupt labor union officials involved in the stealing or embezzling of monies or assets of a labor organization, employee pension fund, or welfare benefit plan.
10. To identify, investigate, and obtain criminal prosecution under the Federal statutes concerning trademark counterfeiting and computer fraud.
11. To support and actively participate in the efforts of the President's Council on Integrity and Efficiency and the Attorney General's Economic Crime Council to coordinate a unified attack on high impact WCC.

12. To assist other Federal, state, local, and foreign law enforcement, and regulatory agencies in making a coordinated and effective attack on WCC.
13. To insure that WCCP management provides sufficient coordination, direction, and resources to enable the FBI to address all priority investigations.
14. To plan and implement undercover operations directed against the subjects of significant WCC investigations.
15. To recruit, direct, and maintain WCC informants and confidential sources in order to maintain an adequate intelligence base concerning WCC matters within the investigative jurisdiction of the FBI.

Base Program Description. White-Collar Crime (WCC) is defined as those illegal acts which are characterized by deceit, concealment, or violation of trust and which are not dependent upon the application or threat of physical force or violence. Such acts are committed by individuals and organizations to obtain money, property, or services; to avoid the payment or loss of money or services; or to secure personal or business advantage.

The Department of Justice has identified and ranked priority areas regarding WCC. These are crimes against: Federal, state, or local governments by public officials and private individuals; crimes against businesses, consumers, investors, and employees; and crimes affecting the health and safety of the general public.

In response to the above, the FBI established three major priorities within the WCCP. They are: (1) fraud against the Government matters involving U.S. Government officials (and/or losses exceeding $25,000) and bribery and other public corruption involving Federal officials (Government Fraud); (2) Federal, state, and local public corruption (Public Corruption); and (3) financial crimes.

Governmental Fraud Subprogram

These investigations address allegations of fraudulent acts involving federally funded programs or bribery/conflict of interest in the Executive branch of Government. This top priority subprogram endeavors to investigate and seek prosecutions of those individuals who, through deceit or dishonesty, attempt to interfere with the lawful functioning of Federal Agencies, programs or projects. This subprogram has achieved its top priority status due to the concerns of the Attorney General's Economic Crime Council, the President's Council on Integrity and Efficiency, and FBI Head-quarters. The investigations given "priority" status are those involving frauds in excess of $25,000 and especially those involving the Department of Defense or the Department of Health and Human Services. Allegations of bribery and/or conflict of interest on the part of Federal employees are considered extremely sensitive and must be addressed immediately.

In addition to the corruption of Federal officials, this subprogram also deals with procurement, entitlement, and false claim frauds. The procurement frauds (with heavy emphasis of Defense procurements) include labor mischarging (charging other Government contracts for costs incurred on overrun contracts), defective pricing (falsifying or fraudulently withholding pertinent cost information during contract negotiations), product substitution, and false test certifications. The entitlement frauds primarily consist of applications for, and/or receipt of Federal funding by those not eligible for such funding (many of the food stamp and health care frauds are reflective of this). False claims run the gamut of charging the Government for work not performed (usually by overstating progress payment requests), using false billing rates, billing for services that were not necessary, and creating completely fictitious invoices.

The FBI's participation in joint investigations with the Inspectors General and military investigative agencies has not only increased the number of significant fraud cases that are being investigated, but it also has drawn on other agencies' experience and expertise to assist in accomplishing thorough and comprehensive investigations in a timely fashion. Examples of this approach include: joint Defense fraud investigations coordinated through participation in the Defense Procurement Fraud Unit, which resulted in over two dozen criminal investigations against major defense contractors throughout the country; four joint target city Task Force investigations with the Veterans Administration addressing family housing frauds; current planning for Task Force investigations with the Department of Housing and Urban Development similar to those undertaken with the Veterans Administration; and eight target city task force investigations addressing false claims to Medicaid/Medicare made on the part of doctors, hospitals, and laboratories.

Public Corruption Subprogram

Public Corruption involves the investigation of systematic corruption by Federal, state, and local executive and management level public officials. Public corruption can be broadly defined as occurring when any elected or appointed public official (local, state, or Federal) acting for or in behalf of his/her public office asks, demands, solicits, seeks, accepts, receives, or agrees to receive anything of value in return for being influenced in the performance of any official act. The necessary evidence to support an allegation of public corruption must often be gained through the testimony of informants and cooperating witnesses, the use of consensually monitored conversations, and the use of undercover operations. As these investigative techniques become known through their exposure during subsequent courtroom proceedings, they must be replaced by new and often more labor intensive techniques. Electronic and operational countermeasures are now being employed by some of these same sophisticated white-collar criminals.

Because of the intense pressure which wealthy and politically powerful public officials are able to exert, it can be extremely difficult for state and local authorities to effectively conduct public corruption investigations. The FBI is often able to pursue allegations of public corruption which cannot be deferred to state or local authorities.

Financial Crimes Subprogram

Financial crime investigations primarily involve frauds, thefts, and embezzlements occurring within or against the national and international financial community. Priority matters currently of particular concern are bank failures or bank (and savings and loan association) mergers in lieu of failure caused by fraud and embezzlements perpetrated by bank officers, owners, or major stockholders. A 1984 Congressional study found actual or probable criminal misconduct by officers, directors, or other insiders in 61 percent of recent bank failures and concluded that officials of failed or problem banks usually escape prosecution or sanctions by the Government. This study indicated that during 1983, criminal activities by bank officers, directors, and owners contributed to 35 bank failures. The assets of these institutions are far in excess of $3 billion.

In calendar year 1985, there were 119 bank failures and 31 savings and loan failures or mergers in lieu of failure. An additional 25 savings and loans were reorganized with Government assistance following their insolvency.

The Fraud By Wire statute is one of the most effective tools available to combat national and international fraud schemes. These schemes include advance fee loan frauds, Ponzi investment frauds, pyramid business frauds, boiler rooms, and numerous other types of fraud. The advance fee loan scheme preys upon the small businessman, the farmer, or entrepreneur who is vulnerable because of a desperate need for cash. A specific example of an investment fraud scheme was the International Gold Bullion Exchange, which allegedly defrauded over 5,000 investors of over $200 million. Many of the investors lost their entire life savings and most important, their hope for a comfortable, secure future. Continuing technological advances in mass marketing and electronic fund transfers enable the perpetrators of these fraudulent schemes to operate with remarkable speed and efficiency. Fraudulent bankruptcy, computer crimes, and stolen securities violations are also addressed in this subprogram.

The enactment by Congress of the Comprehensive Crime Control Act of 1984 (CCCA), Title XI resulted in the addition of the following statutes to the financial crimes investigative jurisdiction of the FBI:

1. Establishment of Federal sanctions for Counterfeiting of State and Corporate Securities.
2. An Amendment of 18 USC 215 to cover bank-related bribery.
3. Establishment of Federal sanctions for Credit Card Fraud, "The Credit Card Fraud Act of 1984."
4. Establishment of Federal sanctions for computer fraud, "Counterfeit Access Device and Computer Fraud and Abuse Act of 1984."
5. Establishment of new Federal sanctions for theft, fraud, and bribery involving Federal monies that are disbursed to private organizations or state and local governments pursuant to a Federal program.
6. Establishment of new Federal sanctions for Bank Fraud.
7. Establishment of new Federal Injunctions Against Fraud.
8. Establishment of Federal sanctions for Trademark Counterfeiting, "Trademark Counterfeiting Act of 1984."

Testimony before the U.S. Senate as recorded in the June 13, 1984, Congressional Record reflects the Federal Government alone uses more than 16,000 computer systems, and the private sector utilizes more than 50,000 large general purpose computers. In addition, some 3.5 million personal computers are currently in use in the business field. These computer systems represent potential targets of computer crime. The increasing number and uses of computers are expected to result in an increasing incidence of computer-related crime. Financial crimes matters such as bank failure and major fraud investigations often require the concentration of relatively large amounts of FBI personnel for extended periods of time.

FBI WCC investigators and accounting technicians, by virtue of their formal education and experience in accounting investigations, are highly qualified to conduct these investigations. Because of the voluminous amounts of documentary evidence encountered in these types of investigations, an electronic data processing system, the Investigative Support Information System (ISIS), is often required to assist investigators in collating evidence and testimony on complex issues, events, and the activities of multiple defendants.

The FBI also conducts extensive investigations in connection with the Government's prosecution of antitrust matters and the litigation of civil matters.

Accomplishments and Workload: Accomplishments of the White-Collar Crime Program are presented in the following table:

Item			Estimates	
	1984	1985	1986	1987
Investigative Matters:				
Pending beginning of year	21,418	21,292	22,300	23,300
Received	48,778	45,338	47,000	48,000
Resolved	48,905	44,330	46,000	46,000
Convictions	4,148	4,091	4,100	4,200
Pre-trial Diversions	356	401	450	465
Fines ($000)	$19,925	$20,721	$22,000	$23,000
Recoveries ($000)	$454,346	$551,977	$650,000	$660,000
Potential Economic Loss Prevented ($000,000)	$540	$297	$300	$301,000
Claims against the Government ($000)				
Filed	$163,194	$221,202	$225,000	$230,000
Settled	$34,786	$ 19,754	$20,000	$25,000
Claims by the Government ($000)				
Filed	$24,462	$3,859	$10,000	$15,000
Settled	$343	$3,250	$5,000	$10,000

During 1985, Governmental Fraud investigations resulted in 954 convictions and pretrial diversions.

On November 2, 1984, Larry D. Barnette, Leo J. Barnette, and Thomas Gibbs were sentenced in U.S. District Court, Jacksonville, Florida, following their convictions on Governmental fraud and bribery charges. Larry D. Barnette was sentenced to five years imprisonment, five years probation, and was ordered to make restitution within one year to the U.S. Army in the amount of $7 million. Leo J. Barnette was sentenced to five years probation and ordered to pay a $22,000 fine. Thomas F. Gibbs was sentenced to six months imprisonment and five years probation. Larry Barnette's corporations were fined in excess of $100,000. The investigation of this matter began in 1981 and was conducted jointly by the FBI, IRS, U.S. Customs Service, Office of the Inspector General of the Small Business Administration, the U.S. Army Criminal Investigations Command, and the Defense Contract Audit Agency. Investigation in this matter determined Barnette had submitted inflated charges to the U.S. Army for basic services provided to overseas military installations.

Beginning in October 1984, an FBIHQ representative began daily participation in Defense Procurement Fraud Unit (DPFU) operations. Through this FBIHQ representation, during 1985, the FBI was notified, and as a result initiated, joint investigation in 58 significant Fraud Against the Government-Department of Defense (FAG-DOD) investigations with the military investigative agencies. Similarly, through daily contact with the Defense Contract Audit Agency (DCAA), all DCAA "early-alert" notifications of potential fraud cases are promptly made available to the FBI.

Additional training has been provided by FBIHQ to Naval Investigative Service (NIS) personnel through their quarterly fraud training courses in Athens, Georgia, and the DOD Inspector General's week-long fraud courses have been made available to the FBI through DPFU.

During 1985, Public Corruption investigations resulted in 238 convictions and pretrial diversions.

On August 22, 1985, former Mississippi State Senator Tommy Brooks was sentenced by a U.S. District Court Judge to nine years imprisonment following his conviction on bribery charges. An FBI investigation determined that Brooks, while President Pro-Tem of the Mississippi State Senate, received a $15,000 bribe for his support of legislation to legalize horse racing in Mississippi.

As of October 17, 1985, widely reported FBI investigation in Oklahoma resulted in the convictions of 224 individuals, many of whom were County Commissioners, who accepted kickbacks from vendors doing business in that state. Furthermore, the State of Oklahoma has reformed its commissioner-type of government and has centralized its system for the purchase of materials and equipment for Oklahoma counties. The savings accruing to the citizens of Oklahoma, as a result of this FBI operation, are inestimable.

FBI investigations of alleged public corruption and voter fraud in elections held in 1982 have recently resulted in 22 convictions in Chicago, Illinois, 10 convictions in Guadalupe County, New Mexico, 12 convictions in Clay County, North Carolina, and 25 convictions in Duval County, Texas. Public officials convicted in this ongoing nationwide attack on Election Law violators include magistrates, sheriffs, commissioners, and county assessors.

The FBI's investigation of labor matters not related to organized crime resulted in 48 convictions and pretrial diversions and $423,470 in recoveries in 1985.

During 1985, Financial Crimes investigations resulted in 3,150 convictions and pretrial/diversions. Of this number, 61 percent or 1,922 were bank-related violations.

During June 1985, Jacob F. Butcher, Chief Executive Officer, United American Bank of Knoxville, Tennessee, was sentenced to three concurrent 20-year sentences following his conviction on bank fraud and embezzlement charges. Two of Butcher's associates, a loan officer and a financial consultant, received 15-year and 18-year sentences, respectively. This FBI investigation involves allegations of banking irregularities at 27 banks with assets of $2.8 billion and losses exceeding $424 million.

In April 1985, John Edward Thomas, former President, Metro Bank, Midland, Texas, was convicted in U.S. District Court on bank fraud and embezzlement charges and sentenced to 25 years in prison and five years probation. This matter is part of an FBI investigation involving the failure of three federally insured banks with assets of $1.7 billion and losses of $107 million.

On October 11, 1984, Marc Rich and Company A.G. and Clarendar Ltd. pled guilty in U.S. District Court in New York City to energy fraud and income tax evasion charges. The companies paid over $171 million in restitution and fines. Following an FBI/IRS joint investigation, the companies were charged with making false statements to the Government as part of a scheme to evade Department of Energy regulations which limited the profits on the resale of crude oil during the energy crisis, and also to evade taxes on $100 million of income earned in 1980 to 1981.

In January 1984, an undercover operation (UCO), code named "Pharmoney," was established in Georgia. The UCO focused on individuals who used their positions and/or businesses to defraud various pharmaceutical companies by falsely representing to them that products purchased were to be used by those who were entitled to low bid or wholesale prices. It also addressed those who would repackage outdated, sample, and stolen products under less than sanitary conditions and sell them as legitimate items. As of November 19, 1985, 50 defendants have been the subject of criminal informations or indictments. Of this number, 50 defendants have pled guilty and 40 have been sentenced up to five years imprisonment.

Since mid 1984 and continuing to the present, the FBI has been participating with the Department of Justice, U.S. Postal Authorities, Department of the Interior, SEC, CFTC, and other state and local agencies in the investigations of "boiler rooms" or fraudulent sales and investment techniques that are defrauding the public of millions of dollars. These crimes, which prey upon the elderly, the poor, and the uneducated, involve thousands of victims nationwide. One case, recently concluded, resulted in losses of about $78 million to individuals who believed they were investing in precious metals. The operator of this scheme was sentenced to 10 years in prison.

Antitrust and Civil Matters Program

During 1985, there were 60 convictions and pretrial diversions, $2,386,000 in fines imposed, $360,477 in recoveries, and $39.9 million in potential economic losses prevented.

Program Changes: An increase of 117 general support positions is being requested.

The lack of adequate general support staffing is causing a serious problem in a number of areas. The most critical area is in getting typing accomplished. Inasmuch as most field offices' typing pools handle the typing needs of all programs, it is not feasible to determine what portion of this delinquency pertains to the WCCP. However, any delays in these typing pools would logically be expected to adversely affect the WCCP's overall efforts.

The failure to fund these critical positions will hinder the FBI in addressing major priorities in the WCCP which are also major priorities of the Attorney General's Economic Crime Council (ECC) such as major defense investigations, health care fraud, bank failure fraud cases, and increased fraud by wire (boiler room) activity.

For example, in a Report to the Attorney General on Investigation and Prosecution of Fraud in Defense Procurement and Health Care Benefits Programs in April, 1985, the ECC recommended, in part, that the Attorney General "Reaffirm defense contracting fraud as a top WCC priority, and actively enlist cooperation from the FBI and Secretary of Defense," and "Ensure that resources continue to be available for Department of Defense (DOD) and DOJ defense procurement fraud law enforcement activities."

In this same report, the ECC recommended, in part, that the Attorney General "Reaffirm Medicaid and Medicare fraud as top WCC priorities, and actively enlist the cooperation of the FBI and Secretary and Inspector General of Health and Human Services (HHS)...," and "Ensure that adequate DOJ and FBI resources are available to meet these objectives."

On April 2, 1985, the Attorney General announced the signing of an agreement between the DOJ, the FBI, and the four Federal banking regulatory agencies designed to improve the detection, investigation and prosecution of bank fraud cases, particularly those involving criminal misconduct on the part of bank officers.

Activity: Investigative Support	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	401	390	$35,759	401	390	$23,758	401	390	$23,508	...	...	-$250
Forensic Services - Federal	322	311	17,760	322	311	18,460	322	311	18,460	...	...	...
ADP and Telecommunications	567	555	134,175	567	555	122,969	611	596	136,080	44	41	13,111
Legal Attache	76	74	5,412	76	74	5,470	76	74	5,470	...	...	...
Records Management	1,286	1,245	38,399	1,266	1,225	39,129	1,266	1,225	39,129	...	...	...
Technical Field Support & Equip.	150	147	61,587	150	147	52,202	154	151	77,166	4	4	24,964
Total	2,802	2,722	293,092	2,782	2,702	261,988	2,830	2,747	299,813	48	45	37,825

Investigative support is provided through training, forensic laboratory examination and research, attaches in foreign countries, efficient management of investigative and administrative records, automatic data processing and telecommunications management and maintenance, and technical field support and equipment supply.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training.....	401	390	$35,759	401	390	$23,758	401	390	$23,508	---	---	-$250

Long-Range Goal: To provide the introductory training and the continued professional development of FBI Special Agents and support personnel to insure that they are prepared to carry out their responsibilities in an efficient and effective manner and in compliance with the law and Government regulations.

To evaluate, through research, the methods, techniques, and equipment which may enhance the FBI's ability to perform its law enforcement mission.

To maintain and improve the land, buildings, equipment, furnishings, and fixtures which make up the FBI Academy complex in a manner consistent with, and conducive to an effective, efficient, safe, and healthy learning and living environment.

Major Objectives:

Provide the highest level of training for new agents to insure that their knowledge and skills are developed to enable them to discharge their complex responsibilities in a professional manner at the outset of their careers and provide follow-up training and assessment during the probationary period.

Afford advanced professional training and support at the FBI Academy and in the field for special agents and support personnel, enabling them to carry out their responsibilities in an efficient, professional, and effective manner.

Improve, through management programs, the ability of mid- and upper-level FBI executives to more effectively carry out their increasingly complicated responsibilities, and provide for job enrichment and career development opportunities for support personnel through educational and training programs at the FBI Academy and in the field.

Conduct necessary research, evaluation, and development, and provide direct field support to accomplish the training objectives cited above.

Maintain and improve the land, buildings, equipment, furnishings, and fixtures which comprise the FBI Academy complex and, specifically, complete construction of a multipurpose dormitory and its support systems.

Base Program Description: New Agents Training Program: After being accepted as a special agent trainee, the period of instruction at the FBI Academy encompasses, but is not limited to, the following major topics over a 15-week period: substantive statutory violations, national security matters, basic law enforcement and forensic skills, behavioral science, legal instruction, communications, field office administration, firearms, arrest techniques, physical fitness, professional conduct, and ethics.

Advanced Professional Training and Direct Field Support Programs: Special agents are periodically brought back to the FBI Academy for instruction in specialized areas based upon the investigative needs and priorities of the FBI. Specialized training and direct field support are also provided by FBI Academy instructors and FBI Headquarters' personnel in field offices if this method is more cost-effective or responds to the particular need of a specific field office.

Research, Faculty Development, and Liaison: Currently, a limited number of FBI Academy faculty members and field instructors are pursuing graduate study in job-related areas at various colleges and universities when instructional and investigative duties permit. In addition, ongoing faculty exchange programs exist between FBI Academy personnel and the British and Canadian Police Colleges. FBI Academy instructors attend symposia, seminars, schools, and participate in other relevant educational experiences when possible. The faculty also maintains liaison with selected foreign law enforcement agencies and several foreign and U.S. military counter-terrorist units for exchange of training information and equipment.

Maintenance and Improvement of Physical Plant: Employees assigned to eight maintenance and craft shops perform the required maintenance for 401 acres; 24 major buildings; 23 fully-equipped classrooms; 15 training, storage, and utility structures; and the six FBI firearms ranges, all of which make up the FBI Academy training complex.

Accomplishments and Workload: The FBI Academy has an optimum annual capacity of approximately 150,000 student training days (612 beds x 5 days x 49 weeks). During 1985, 142,066 student training days (94 percent of capacity) were used, with 77,481 (55 percent) utilized for General Law Enforcement Training (GLET). FBI employee training during 1985 was at 64,585 (45 percent) student training days. During 1985, 6,285 FBI employees were trained in various schools, seminars, working conferences, and symposia at the FBI Academy. This figure includes 464 new agent personnel. It should be noted that, although in terms of student days, FBI Academy capacity utilization was 142,066 student days, or 94 percent, the actual utilization was significantly higher. This is explained by the fact that the specialized and advanced professional training schools typically run three to ten days. They often do not coincide with the increments of five-day work-weeks that are assigned to them for Academy lodging and, therefore, do not fully contribute to the training days accomplishments measure, i.e., a three-day school is allocated lodging space for five days, but only reports back student training accomplishments of three days. By another measure, of the 49 weeks in which training is scheduled, 47 were scheduled significantly over the optimal 612 bed capacity. This over-commitment was accommodated by housing 379 students at local hotels and by lodging and conducting three schools with 142 students at the Xerox Training Center at Leesburg, Virginia.

During 1985, 50 schools were conducted at regional locations by FBI Headquarters' personnel for the training of 1,102 FBI personnel, for a total of 5,113 student training days.

The scheduling of additional new agents' classes in the latter part of 1985 resulted in the cancellation of significant advanced professional training courses, including the following: Interviewing and Interrogation, Special Weapons and Tactics (SWAT), Security Officers' Conference, Agent Technical Training, and Survival Tactics.

In the area of operational support, consultation, and criminal psychological profiling, the FBI Academy staff has had notable achievements. During 1985, technical assistance in the form of case analysis, personality assessment, and construction of personality profiles was provided in 129 FBI investigative matters. This assistance contributed to the identification, apprehension, and/or

prosecution of subjects in such matters as Homicide, Kidnaping, Bank Robbery, Hobbs Act, Unlawful Flight, Bombing, Bank Fraud and Embezzlement, Public Corruption, RICO and Organized Crime, and Espionage and Sabotage. Significant time and effort were spent on major FBI investigations such as GENUS, STAR QUEST, FEDROC, THREE CAT, WIND FLYER, COLNAP, and FREEWHEEL. During the past year, the FBI Academy staff was increased by four special agent investigative profilers. These agents have completed an initial training phase and are now engaged in handling profiling cases.

Academy facility improvements and other construction accomplishments during 1985 include: (a) Completed the schematic and design development phases of the new dormitory building and advanced in excess of 50 percent through the preparation of contract documents. A construction contract is anticipated in early 1986. (b) Completed the schematic design phase of the Engineering Research Facility. Construction is scheduled for early 1987. (c) Completed schematic and design development phases of the electrical power distribution project, the utility distribution project, and the telemetry and control valve project. (d) Completed design, construction documents, and awarded a construction contract for the erection of the crime scene/motel building, and the instructional support building. (e) Completed the construction of phase 1 (roads and utilities) in the Practical Problem Training Center. (f) Completed the construction of the Administrative and Operations Facility for the Hostage Rescue Team. (g) Completed remodeling of administrative space for the National Center for the Analysis of Violent Crime (NCAVC). (h) Completed construction of year-round refrigeration for the Forensic Science Research and Training Center. (i) Completed uninterruptible power system for the Forensic Science Research and Training Center. (j) Completed repair and overhaul of central plant chillers (2). (k) Completed construction of Advanced Tactical Revolver Course. (l) Completed repairs to asphalt roadways. (m) Completed remodeling of a classroom to accommodate Drug Enforcement Administration (DEA) computer training.

During 1985, the following significant special studies were completed by the FBI Academy staff: (a) The second annual "National Law Enforcement Training Needs Assessment" report. (b) Implementation of the new mandatory physical fitness program for special agents. (c) Revisions on the new program for safeguarding the psychological health of undercover agents.

During 1985, 7,978 FBI Special Agents were each provided 68 hours of training in the field. This training, mandated by current policies and regulations, is designed to maintain and improve investigative, technical, and administrative skills, and includes a wide variety of matters such as firearms, defensive tactics, federal legal procedures, and other issues which impact on all FBI investigative personnel. In addition to the field mandated training, 775 FBI Headquarters-based supervisory personnel each received eight hours of mandated legal training this past fiscal year. As such, 548,704 total mandated training hours for FBI Special Agents in the field and at FBI Headquarters were accomplished in 1985.

Twelve thousand, eleven (12,011) support employees of the FBI were each provided four hours of training in 1985 through semiannual support personnel conferences conducted in each field division and FBI Headquarters section. This training is designed to update support employees on administrative and operational functions of the FBI, with particular emphasis on policy changes, personnel matters, and suggestions to improve efficiency and effectiveness. Approximately 48,044 total training hours for support employees in the field and at FBI Headquarters were accomplished in 1985.

During 1985, 675 special agents assigned to tactical response teams (SWAT) were provided approximately 86,400 hours of training in the field. This training is designed to heighten the FBI's degree of competency and preparedness to respond properly to crises situations such as terrorism, bombings, hostage taking, and other similar incidents over which the FBI has jurisdiction. The FBI is committing substantial resources to the preparation for the 1987 Pan Am games to be held in Indianapolis, Indiana.

During 1985, executive development training was provided to 78 Drug Enforcement Administration (DEA) executives and 103 DEA personnel attended specialized schools. With the collocation of DEA at the FBI Academy, beginning in 1986, a significant increase in demand for DEA attendance at specialized schools is anticipated.

During 1985, the FBI purchased 1,275 Smith and Wesson Model 13 revolvers, two Beretta Model 92F pistols, 186 Remington Model 870 shotguns, 38 Colt M16-A1 rifles and carbines, two Ruger - Mini-14 rifles, and five MP-5 Heckler and Koch submachine guns for SWAT team members, Special Operations Groups, and other field agents, and for training at the FBI Academy. In addition to the weapons, beginning with the new agents class which graduated June 5, 1984, all new agents leaving the Academy are being issued their own protective vests.

The Fitness Indicator Test (FIT) is continuing on a semiannual basis (spring and fall) with computerized feedback to all agent personnel. Additionally, pre-entry fitness testing is to commence fieldwide in 1986 to measure fitness levels of all special agent applicants to insure they are all at a minimum level of conditioning to fully and adequately participate in all aspects of training at the FBI Academy.

Program Changes: Effective with the 1987 budget year, all construction at the FBI Academy must have prior approval, including any construction of the Practical Problem Training Center (PPTC). A cost avoidance of $250,000 will be realized as a result of the reduction in funding for the construction of the Practical Problems Training Center.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Forensic Services - Federal.....	322	311	$17,760	322	311	$18,460	322	311	$18,460	...	...	...

Long-Range Goal: To support the Federal criminal justice system by insuring, through scientific means, that all physical evidence is fully utilized to develop as much probative information as possible to reconstruct the crime, identify the guilty, and exonerate the innocent and to provide scientific and technical support to ongoing FBI and DEA investigations.

Major Objectives:

To provide professional, expeditious handling of requests for scientific examination of physical evidence.

To assist in the prosecution of criminal matters by providing sound, objective, expert testimony in a full range of forensic disciplines.

To provide scientific and technical support to ongoing FBI and DEA investigations.

To conduct sufficient forensic science research to make the best use of physical evidence, stay abreast of new technology, and improve the ability to support ongoing investigations.

To provide forensic science training to Federal investigative and crime laboratory personnel to maximize the use of physical evidence in the solution and prosecution of crimes.

To provide specially designed investigative devices and apparatus for use in criminal and other investigations.

Base Program Description: Requests for examination of evidence come to the FBI Laboratory as a result of FBI and DEA field investigations and from other Federal agencies which do not have laboratories with the technical capability to perform a particular type of examination.

The cases received include specific requests made by the contributor to conduct a wide range of forensic examinations on the physical evidence (specimens) obtained during the investigation of the crime. Requests are received in the Evidence Control Center, where pertinent information concerning the request is recorded in a computer. The request is then assigned a priority for examination and assigned to a principal examiner. The principal examiner is totally responsible for the case - determining what examinations must be done to obtain the greatest technical information from the specimen(s), maintaining the chain of custody of the evidence, obtaining auxiliary examiners, supervising and conducting examinations, reading and assembling the results of examinations conducted by other examiners, and writing the final laboratory report. The examiner might be called upon to render expert testimony concerning the results of the examination in subsequent court proceedings.

On occasion, during the investigation of FBI matters such as terrorist bombings, arson matters, undercover operations, kidnapings, and other major cases, Laboratory personnel are required to provide onsite technical support or to conduct a crime scene search. Agent examiners are also requested to perform undercover work when persons having a technical background are needed during an investigation.

The Laboratory provides direct scientific and technical support to ongoing FBI and DEA investigations. Areas of this support include management of the Polygraph Program; management of the Photographic Equipment Program; direct photographic assistance in complex investigative situations; artist's conception drawings; direct crime scene support in major cases and unusual investigative situations; design and fabrication of special investigative equipment; and special support to undercover operations.

The FBI dedicated the Forensic Science Research and Training Center (FSRTC) at the FBI Academy, Quantico, Virginia, on June 16, 1981. Using the scientific input from the forensic science community, industry, academia, as well as identified FBI needs, a significant forensic science research program has been established. Forensic research, conducted mainly at the FSRTC, includes: basic forensic research, the evaluation of current and new scientific methods and equipment, and the development of standards to be used in forensic science examinations and FBI field operations.

With the opening of the FSRTC, the Laboratory substantially increased its capacity to provide forensic science training to FBI personnel, other Federal, state, and local law enforcement officers, and crime laboratory personnel. The purpose of this training is to increase awareness of the probative value of physical evidence among Federal law enforcement personnel, to enhance the professional level of crime laboratory personnel, and to decrease state and local law enforcement agencies' dependence on the FBI Laboratory.

Accomplishments and Workload: Actual and projected accomplishments for this decision unit are presented in the following table:

	1984	1985	Estimates 1986	1987
1. Laboratory Examinations				
a. Requests for Examinations	11,990	12,032	12,000	12,000
b. Specimens Submitted	96,137	105,876	105,000	105,000
c. Examinations Conducted	657,085	773,926	850,000	900,000
d. Days Spent in Testimony	988	819	1,000	1,000

Explanation:
Statistics above are captured through the Laboratory's Management Information System and indicate the actual and expected forensic examination workload. Much of the increase in the number of examinations conducted may be attributed to successful research and/or technological advances which permit more examinations per specimen.

2. Related Laboratory Support Activity				
a. Forensic Science Training Hours Devoted to New Agent and In-Service Training	12,972	10,788	8,656	8,784
b. Forensic Science Research: Workdays Devoted to Research	3,276	3,500	3,686	3,686
3. Other Significant Activities in the Federal Area:				
a. Polygraph Control Reviews	11,574	11,489	12,800	12,800
b. Trial Aids Prepared	7,629	5,466	6,500	6,500
c. Investigative Aids Prepared	8,470	5,150	6,000	6,000
d. Photographic Prints Processed	1,323,789	1,338,431	1,405,352	1,475,619
e. Microfilm Processed (feet)	758,691	348,926	366,372	384,690
f. Days Spent in Direct Investigative Support	831	838	850	850
g. Pages Translated	9,705	11,032	12,500	14,000

The accomplishment figures indicate that, while the traditional Laboratory functions of forensic science examinations, research, and training still represent the major objectives of the decision unit, other areas of technical support to Federal law enforcement agencies, such as preparation of specialized investigative devices and all types of photographic support, are assuming a more important role and requiring a larger share of available resources.

During 1985, FBI Laboratory personnel spent 838 workdays in the field in direct support of Federal investigations and 820 workdays providing testimony in support of Federal prosecutions.

Polygraph examiners conducted in excess of 2,500 polygraph examinations in criminal, foreign counterintelligence and, other matters of interest to the Bureau and provided investigative direction in more than 2100 instances. Over 850 examinees whose polygraph examinations indicated they were being deceptive either confessed their guilt or made significant admissions concerning their participation in, or knowledge of the matter under investigation. Property valued in excess of $150 million was involved in those cases where confessions were obtained.

The examination of records associated with illegal drug operations began in 1983; that year ten cases were handled. This increased to twenty-five cases in 1984 and in 1985, sixty such cases were handled.

In 1985 a total of 14 research projects were completed. The completion of these projects and the development of new scientific techniques which may be applied during forensic examinations of physical evidence have resulted in nine publications now available for use by the scientific community. Twenty-five additional manuscripts have been submitted for publication in scientific journals.

A currency-reader machine was developed under a joint FBI - U.S. Customs Services contract and one unit was produced for each agency. Through use of FBI's unit in support of the Personal Crimes Unit of the Criminal Investigative Division, over 154,000 bills worth more than $5,720,000 were processed. This project resulted in "bait" packages for Bureau use stored in six different Federal Reserve Banks. The project required 113 workdays of Laboratory support but saved thousands of dollars in labor and expenses. Assistance with this machine was also provided to the Drug Enforcement Administration and Metropolitan Police, Washington, D.C.

During 1985, Laboratory personnel traveled to various field offices to install custom-built, unique camera tripping concealment devices on 21 different occasions. In each case this custom-designed equipment was the only method of obtaining the required photographs. More than 50 additional camera concealments were designed, built, and furnished to the field to meet unusual surveillance requirements.

A total of 38 Startron Night Camera Systems have now been furnished to 31 field offices. Thus far 38 Agent/Photo Technicians have been trained in the use of the systems. This marks the beginning of night photography capability for field offices.

During the past year, FBI Laboratory support was provided in such highly publicized cases as the John Anthony Walker Jr. Case. Laboratory Examiners assisted with the search of Walker's home on May 20, 1985, which produced a considerable quantity of records and tradecraft paraphernalia. This, together with evidence submitted from other field offices, resulted in more than 500 pieces of evidence being examined in the case. Thousands of photographs were produced regarding the specimens and dozens of 30" x 40" enlargements were produced for the various trials. Polygraph examinations of Walker's wife established her truthfulness in her allegations of Walker's espionage activity and during a subsequent polygraph examination Walker made a full confession of his activities. The results of his polygraph examination were admitted into evidence in the trial.

During 1985 the Laboratory ordered a "Mini-Photo Lab" for installation in the New York Office. During the period April 1, 1985, through November 1, 1985, a total of 137,276 photographic enlargements in sizes 3 1/2" x 5", 5" x 7", and 8" x 10" were produced. This was accomplished with two grade GS-9 photographic technicians and $19,823.00 in supplies. To have contracted this work commercially would have cost $242,860.00.

A second Mini-Photo lab has been received for installation in the Photographic Processing Unit. This machine will be used to produce 3 1/2" x 5" and 5" x 7" photographs. The Photographic Processing Unit is producing in excess of 600,000 prints per year in those sizes. This volume represents 25 percent of the total workload of the unit. It is anticipated that a savings of three employees will result from the aquisition of this equipment. One of these employee has been assigned to assist with video support and two will be utilized in the Photographic Processing Unit to improve turnaround times and reduce the use of overtime, which amounted to 2,203 hours in 1985.

In the espionage case involving former FBI employee Richard W. Miller, in Los Angeles, Laboratory personnel working with specialized self-contained photographic equipment, aerial photography, concealments, and concealed installations provided day and night surveillance of the subjects. These photographs assisted in the investigation and are currently being used in the trial. Additionally, Laboratory examiners assisted in the search of the residence for espionage related evidence. During the polygraph examination Miller made a full confession of his espionage activity. The results of all examinations have been admitted into evidence in the trial.

The FBI Laboratory provided forensic assistance on an international basis in cases such as the murder of DEA Agent Enrique Salazar Camarena in Mexico; the abduction of the daughter of President Duarte, in El Salvador; the hijacking of TWA flight 847, which as released from Beirut and flown to Rome; and the seizure of the cruise ship "Achille Lauro" in Genoa, Italy. In all of these cases Laboratory examiners assisted with processing the crime scenes and subsequent examination of the evidence collected.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and Telecommunications.....	567	555	$134,175	567	555	$122,969	611	596	$136,080	44	41	$13,111

Long Range Goal: To support the FBI's information collection, storage, retrieval, and dissemination requirements through management of the FBI's ADP and Telecommunications (ADPT) resources.

Major Objectives:.

During 1987, activities will be focused on implementation of an integrated, distributed data architecture, the infusion of artificial intelligence (AI) capabilities throughout the FBI's data processing environment, and the transition to software engineering methodologies through the Information Systems Engineering Center (ISEC), which will revolutionize the way application systems are developed at the FBI. Specific objectives directed toward accomplishing these goals, as well as supporting other ADPT Decision Unit activities, follow:

To develop and implement a Cybernetics Integrated Investigative Information System (CIIIS) to integrate the common functions of the existing applications of Organized Crime Information System (OCIS), Investigative Support Information System (ISIS), Field Office Information Management System (FOIMS), and the Computer-Assisted Analytic Support System (CAASS). Current emphasis for CIIIS is on generic case functions and the establishment of a common index of major entries for OCIS and ISIS.

To develop and implement an interactive version of the CAASS for FBI Headquarters to enhance its ability to manage investigative activities on a national level.

To maintain and enhance the integrated Terrorist Information System, which distributes selected storage and processing functions to intelligent workstations in field locations.

To continue to maintain and enhance the OCIS, which distributes selected storage and processing functions to intelligent workstations in field locations and to convert OCIS to a new Data Base Management System.

To provide support to the highest priority investigations through the operation, maintenance, and enhancement of the ISIS.

To develop and implement an integrated Resource Management System (RMS), which provides on-line access, data query, and AI capabilities for personnel, financial, and statistical information in support of day-to-day management as well as executive decision making.

To complete the development and implementation of an integrated system which provides the Training Division with on-line scheduling and instructional capability, data query, statistical assistance, and support for the mock field office.

To complete the design, development, and implementation of an Automated Records Management System (ARMS) to integrate the data/functions among major ARMS subsystems and to support the development of a distributed index to be shared with FOIMS and other investigative systems.

To initiate the implementation of the second phase of Headquarters Office Automation, which includes adding photocomposition systems to already existing capabilities and interface to existing administrative and investigative systems.

To implement the third phase of the Decision Support System to provide FBI executives with analytic support through CAASS and access to resource management and investigative information for long-range strategic planning and policymaking. A baseline AI capability will be established to support executive decision making. This capability will later be enhanced to support crisis management requirements for major incidents, including counterterrorism matters.

To continue the development and implementation of a new integrated National Crime Information Center (NCIC) system to meet current and future information needs of the criminal justice community for the remainder of this century.

To support the Identification Division with the parallel operation and continued development of the Automated Identification Division System III (AIDS-III) and Interstate Identification Index (III) systems.

To design, develop, and implement a new Uniform Crime Reporting (UCR) System (as dictated by the Office of Justice Programs, Department of Justice) to improve the collection, analysis, and dissemination of national crime statistics to the law enforcement community.

To design, develop, and implement an integrated system to support the information processing requirements of the Legal Counsel Division.

To design, develop, and implement an integrated system to provide for the collection, analysis, and retrieval of homicide data (e.g., mutilation, dismemberment, violent sexual trauma, and mysterious disappearances) in support of the National Center for the Analysis of Violent Crime (NCAVC).

To complete the accelerated implementation of FOIMS and provide baseline functional support to the 59 field offices and all resident agencies. Implementation of expanded FOIMS functions, which will include electronic distribution of investigative information, integration with CIIIS, and establishment of the micro-mainframe linkage, will await installation of additional intelligent workstations and completion of the third Regional Computer Support Center (RCSC).

To conduct procurement for equipment resources for the FBI Headquarters Computer Center (FBIHQCC) and the Northeastern and Western FOIMS RCSCs.

To implement the Universal File Number (UFN) system in the FBI's automated environment to provide a common reference point to consolidate case activities/information and to facilitate standardization of the index and migration to an integrated distributed environment.

To eliminate index redundancy, which is currently estimated to be 65 percent in the manual system.

To eliminate dual entry and capture of administrative data.

To continue to plan, design, and implement an FBI-wide data base architecture to meet current and future needs of the FBI (FBIHQ and field offices) for data (investigative, administrative, and law enforcement) and data usage in a distributed environment.

To employ a data dictionary system to insure the development of integrated and distributed information systems for the investigative, administrative, and law enforcement mission areas, conforming to the data base architecture.

To continue to develop and implement standards, policies, and procedures and define system configuration and training requirements to effectively integrate work station requirements into the FBI's distributed processing environment.

To design, develop, and implement ISEC to support the development and maintenance of quality information systems and to provide initial operational capabilities for the following ISEC components: User Engineering, Software Engineering, and Life Cycle Engineering.

To apply AI technology to FBI information processing activities.

To continue implementation of a secure, efficient, and cost-effective Intra-FBI Records Communications System (IRCS) to support all FBI data communications requirements.

To enhance the FBIHQCC in accordance with security and environmental requirements. Architectural and engineering studies have demonstrated that the most cost effective solution to meeting FBIHQCC requirements would be relocation to a combined facility also housing the Mid-Atlantic RCSC.

To continue to acquire software and support staff to actively audit all activities within the Technical Services Division's (TSD's) automation environment.

Base Program Description: This program provides all ADPT services to the FBI on a nationwide basis. The TSD insures that the FBI's ADPT resources are responsive to the organization's information processing needs, are implemented in accordance with the FBI's long-range plan, and are acquired, managed, and utilized in accordance with Federal laws and regulations. Cost-efficient ADP systems are "user" oriented and provide greater efficiency in the collection, maintenance, and dissemination of investigative information. This modern technology allows the FBI to apply greater emphasis in the investigations of organized crime, white-collar crime, and foreign counterintelligence matters. The Technical Resources Committee (TRC), which includes the Assistant Directors of the major "user" divisions, reviews and ranks by priority each request level application of ADPT resources to support FBI needs. The TSD maintains daily interaction with the Technical Resources Working Committee (TRWC) members to insure that ADPT resources support the FBI's requirements. The following major ADPT systems support the FBI's internal information processing requirements:

Artificial Intelligence (AI) - In 1984, Director Webster approved an initiative to apply AI to support several specific high-priority investigative needs consistent with the FBI's Long Range Automation Strategy. The FBI has initiated efforts to apply AI in the form of knowledge-based expert systems to support investigations in the areas of labor-racketeering, narcotics, counterterrorism, and generic name search.

Investigative Support Systems (ISS) - The information systems that directly support the investigative information collection, analysis, retrieval, and dissemination capabilities of the FBI constitute the ISS. These information systems, OCIS, ISIS, and CAASS, provide central data bases to facilitate program management at both the Headquarters and field office levels. These systems will be integrated to the maximum extent possible through the use of CIIIS. These systems also provide ad hoc ADP support to cases which involve voluminous and complex evidentiary information in an off-line mode.

Resource Management System (RMS) - RMS provides FBI management with readily accessible, accurate resource information. This information supports and promotes sound managerial decisions regarding the effective and efficient use of the FBI's investigative resources and long-range strategic planning and policymaking. It also is used to meet the external reporting requirements of the Department of Justice (DOJ), Office of Management and Budget (OMB), General Services Administration (GSA), and the Congress. RMS developmental efforts are consistent with the direction and intent of Reform 88.

Field Office Information Management System (FOIMS) - This system will provide each field office with an integrated information processing system incorporating word processing, data processing, and telecommunications technologies. The long-range ADPT plan will involve integration of FOIMS with RMS and ARMS and, where appropriate, with the ISS. Additionally, efforts will be underway to develop an optimum data architecture for use in a distributed environment. Initial effort will focus on a distributed index.

Automated Records Management System (ARMS) - The "FBI Central Records System" at FBI Headquarters is composed of over 7,000 filing cabinets of hard-copy textual information, which is accessed through the FBI Headquarters General Index, containing approximately 60 million 3" x 5" manual index cards. ARMS consists of automating the general indices, file charge-out, locate, and mail serialization functions. ARMS will also be redesigned to integrate data/functions among major ARMS subsystems and to support the development of a distributed index with a Universal File Number to be shared with FOIMS in the distributed data architecture.

Intra-FBI Records Communications System (IRCS) - The capability to transmit secure textual information rapidly between FBI Headquarters, field offices, and overseas posts is vital in fulfilling the mission of the FBI. With the rapid expansion of IIS and the advent of FOIMS, it has become necessary to lease point-to-point secure telecommunications services. The FBI will continue to develop and implement IRCS to support all FBI data communications requirements, including facsimile, teletype, access to FBI ADP systems, video, voice, image, text, teleconferencing, micrographics, and electronic mail.

Telephone Systems - The FBI must have efficient and secure telephone facilities available to support its investigative mission. A major objective is to procure secure voice capabilities for all field offices in order to support FBI foreign counterintelligence (FCI) activities.

National Crime Information Center (NCIC) - The FBI's NCIC, which is managed by the Criminal Justice Data and Statistics Services Program, is the only national law enforcement teleprocessing system in existence which provides documented information on wanted and missing persons, stolen properties, and criminal histories. It is supported by FBI Computer Center ADP resources. Contractual efforts to support the redesign of this system are currently underway and will be completed in 1987.

Automated Identification Division System (AIDS) - The TSD, in conjunction with the Identification Division, is involved in a comprehensive project to automate the fingerprint card processing and related activities of the Identification Division. The resource requirements which are set forth in this program include general-purpose ADPT resources.

Accomplishments and Workload: Automation accomplishments, during 1985, were achieved in five principal areas: investigative support to the field in the form of major centralized systems (i.e., OCIS, ISIS, IIS, and CAASS) augmented by stand-alone microprocessors; systems supporting primarily FBIHQ in administrative and criminal justice community missions; FOIMS; the initiation of formal programs to assure successful field/headquarters systems integration and systems auditability; and the initiation of efforts to imbed AI technology into the FBI's informations systems. Additionally, the FBI's long-range plan was updated to reflect changes in required resources and strategies. This plan provided detailed direction for the budget formulation and presentation process.

In 1985, OCIS was deployed to four additional locations for a total of 44 field locations serving 89 percent of the agents assigned to Organized Crime.

ISIS was deployed to two new locations for a total of 37 field locations and FBIHQ. Implemented 22 new data bases to support ongoing major case investigations. ISIS is now supporting 78 total data bases. Post implementation reviews (PIRs) were conducted of two data bases which resulted in improved use of the ISIS system to support case requirements.

A prototype was implemented of the Legal Case Management System and successfully demonstrated the viability of accessing case status and related information using English-like query capability.

In 1985, assistance was provided to 39 field locations regarding 62 investigative matters in the form of Field Office Special automated support.

Twenty terminals and three printers were installed in the Mock Field Office at Quantico to provide on-line access to the Investigative Systems for training of new agents.

Prototyping of the DOJ Case Management System was completed to demonstrate the feasibility of developing an operational system that would collect information from various DOJ automated systems and allow upper level management to track cases across all divisions. Presented the prototype results and made recommedations on its subsequent implementation in DOJ to the Deputy Attorney General, D. Lowell Jensen, and the subcommittee to the task group on Technology in Law Enforcement.

Expanded the Secure Computer Applications Communication Network (CACN) circuitry to support the accelerated implementation of FOIMS, the planned installation of existing investigative systems (ISIS, OCIS), and allow migration to a single System Network Architecture (SNA). CACN now provides 91 field office/resident agency locations and FBIHQ access to automated investigative and field office automation support.

Contracted with the Institute for Defense Analyses (IDA), a Federal contract research center, to support the development of "expert systems" to aid the FBI in the management of its labor racketeering, counterterrorism, and drug interdiction programs. Additionally, IDA will provide analytical support to the TSD in implementing its Information Systems Engineering Center (ISEC), the FBI's primary research and development center, for future information systems initiatives.

Developed three prototypes of the Labor Racketeering expert system demonstrating the viability of a production system. When operational, this system will enable FBI agents to better analyze information supporting labor racketeering type cases.

Established a linkage with the Defense Advanced Research Products Agency (DARPA) and other Department of Defense entities with state-of-the-art technical expertise to support new initiatives such as AI, rapid prototyping, and teleconferencing.

Developed a graphics language for arbitrary block and system diagrams. This language, G3PC, complements the existing graphics language and allows nontechnical users to generate their own graphs.

Modified the Missing Persons File to automatically provide information on involuntary missing persons to the Personal Crimes Unit. This change allows the FBI to comply with the Missing Children Act of 1982 in that all such records are carefully examined for possible kidnaping cases.

Modified the Wanted Persons File to include records on wanted juvenile persons to meet state requirements to add the dates of emancipation with a juvenile wanted person record.

Modified the NCIC cross-search between unidentified and missing person files to furnish up to 100 abbreviated response records in order to provide more possible matches to users to aid in the indentification of individuals.

Modified the NCIC record validation procedure to validate all records 30 days after entry by the states, thereby resulting in improved quality of data and an increase in "hit" rate.

Converted NCIC data files to the Innovative Access Method (IAM) and NCIC/III on-line data bases from 7330-1 disk storage devices to 7380 drives. Changes resulted in improved system reliability, a 50 percent decrease in internal processing time for NCIC transactions, and a 75 percent reduction in floor space.

Initiated a software improvement project to improve the NCIC system's flexibility and maintenance of the system as well as to eliminate the backlog of enhancements.

Recorded, billed, and tracked 697,814 local and state licensing agencies' fingerprint cards through the User Fee System. Collected $7,728,933 for services rendered in this regard.

Completed the conversion of 9 million subjects' manual name index cards, adding descriptive data to the AIDS/Automated Technical Search (ATS) data base. This process resulted in the elimination of the manual name index file for subjects born after 1928, and a yearly cost avoidance of approximately 2 million dollars.

Expanded the Legal Counsel Division's access to the JURIS and WESTLAW systems to provide them the capability to retrieve relevant data concerning recent court opinions in a timely manner.

Implemented software to provide the Laboratory Division the capability to compare automobile and other keys seized as evidence from any location in the country.

Installed a VAX 11/780 computer system to support the Laboratory Division's thirty-eight scientific and administrative applications. This system houses all sub-systems previously found on the PDP 11/70 and provides additional space for future development as well as better response time for users.

Upgraded the UCR IV Phase hardware to handle the increased data entry workload in a timely and responsive manner and to provide word processing capability to support office functions.

In May 1985, implemented the Violent Criminal Apprehension Program, the first component of the NCAVC. This system aids the Behavioral Science Unit at Quantico in identifying serial murders by searching for similarities and patterns in violent murders.
Created the Technology Action Committee of the FBI/DEA Link-Up Committee to address common ADPT issues. Specific tasks, such as a telecommunications requirements study, were established.

Assigned a Project Manager and developed plans to install an on-line real-time expert system to process drug intelligence information for EPIC. Conducted a feasibility study and acquired the recommended six workstations which are currently being installed at IDA, the FBIHQ test site, and EPIC to support prototype operations and the access of three data bases from a single terminal.

Implemented the first component, Procurement and Property Management System (PPMS), of the integrated Resource Management System (RMS) and interfaced PPMS to two commercial packages--General Ledger, and Budgetary Control—to fulfill 90 percent of the Administrative Services Division's (ASD) fund control requirements. One hundred and ten terminals and 20 printers have been installed in the ASD to support the operation of PPMS, which now provides to ASD the capability to generate and track purchase orders automatically; provides for property accountability; and issues and accounts for commercial invoices and expendable supplies within the FBI. These achievements enhance the FBI's ability to integrate its resource management function and share data among FBIHQ and field users.

Completed the systems requirements definition for the personnel component of the integrated RMS.

Developed software to support mandated Office of Personnel Management and Department of Treasury changes such as collection/reporting of FICA and post 1956 military service deposits for retirement purposes, merit pay distribution using dollar amounts instead of grade/step factors, retroactive pay increases, conversion of merit pay to performance recognition and awards, and submission of voucher payments using magnetic tapes instead of cards.

Developed software which eliminated one million duplicate records from the Headquarters General Index Data Base. This change allowed Records Management Division (RMD) to discontinue manual consolidation of duplicates, reduce the number of "pseudo" hits, and provide all information for "real" hits in one record.

Implemented an automated name search capability against the Headquarters General Index File to eliminate the need to key approximately 3,000 searches per day. Results for searches are returned via magnetic tape.

Expanded the Decision Support System to aid the Inspection Division in conducting inspections at both FBIHQ and in the field.

A total of seven Legal Attaches now have direct on-line access to the FBI Secure Teletype System (STS).

Successfully completed the test bed demonstration of the Secure Automated Message Network (SAMNET) and proliferated this capability to twenty-seven offices.

Implemented the PREDICT on-line data dictionary to enhance the applications development environment and provide a strategic tool for the Data Administrator to use in determining data usage, planning the data architecture, and enforcing standards.

Implemented the Natural Security System in the ADABAS test and development environment to strengthen the security measures of the natural programming environment by restricting access to programs, libraries, and files to only those individuals who have a need to know.

Acquired the Performance Analysis and Reporting Software Package from ADABAS Data Base Utility Group to improve user response time and the FBI's ability to detect security violations.

Created a separate test and development ADABAS data base which provided FOIMS the capability to develop all applications software using the Northeast Regional Computer Support Center (NERCSC) facilities in Ft. Monmouth, New Jersey.

Established an Information Systems Engineering Center (ISEC) through the drafting of a charter and the assigning of a program manager. ISEC will become the focal point for technology transfer in the areas of prototyping, simulation/modeling, ergonomics, knowledge engineering, software engineering, and life cycle engineering to facilitate the timely development of effective, efficient, and reliable information systems.

Performed research which led to the acquisition of software tools such as EZTEST/CICS, SUPERSTRUCTURE, SCAN/370, TELL-A-GRAF, automated project management (CIPREC and EZPERT), and system life cycle systems. These tools will provide significant productivity increases for project personnel within TSD.

Implemented three components of the Training Division Support System to provide on-line service for the In-Service and Student Services Unit and included: the annual in-service training needs survey, the fiscal year Schedule of Classes and generation of class rosters, and accumulation of a history record for each student attending the FBI Academy.

Achieved increased efficiency and effectiveness in the FBIHQCC through:

- Installation of a new security access control software package on all FBIHQ mainframe systems.
- Processed 367,644 computer jobs. This represents a 10 percent increase over last year.
- Procurement and installation of 20 gigabytes of the latest direct access storage devices, replacing 11.2 gigabytes of outmoded storage devices.
- General upgrade of FBIHQ telecommunications facilities for FBI investigative and administrative software systems; one computer system completed and upgrade of second computer system is underway.
- NCIC telecommunications capacity and reliability enhanced through communications computer, tape drive, and software upgrades.
- Enhancement of FBIHQ Computer Center user services through installation of 19 new proprietary software packages and upgrade of 27 existing packages.
- Enhancement of off-line printing facilities and operational streamlining to increase throughput capacity achieved.

Reduced the FBIHQCC noise level by up to 15 decibels by installing acoustical ceiling baffles.

Installation of Secure Telephone Units (STU-IIs) is continuing at FBIHQ and in selected resident agencies. All field offices are now equipped with secure telephone communications.

Acquired the necessary cryptographic devices to secure telecommunications networking facilities for all FBI offices through 1987.

Provided technical support (structured analysis, programming, data entry) to the President's Commission on Organized Crime Survey as requested by the Office of the President.

Determined requirements to accelerate the implementation of base-line FOIMS capabilities to every field office by the end of 1986.

Completed the FOIMS Network Management Study and identified network "hub" offices.

Acquired equipment to establish a temporary data center in the Western RCSC and issued a contract to support construction of a permanent computer center with the environment suitable to support expanded FOIMS functionality and provide back up to vital information processing requirements.

Implemented baseline FOIMS in nine field offices: Newark, Philadelphia, New Haven, Albany, Los Angeles, Cleveland, Detroit, Baltimore, and Washington Field Office.

Instituted a test bed at DEA Boston to evaluate the applicability of FOIMS applications such as indices, personnel, vehicles, and leads for DEA.

Created Mid-Atlantic and Western regional data bases to provide field offices within these regions access to FOIMS applications from the Northeast Regional Computer Support Center (NERCSC).

Sponsored an Information System Administration (ISA) conference in December, 1985, to provide update on status of FOIMS applications, FOIMS/CACN renovation, revised schedule for accelerated FOIMS, and ISA organizational structure.

Acquired the Distributed Office Support System (DISOSS) hardware and software and successfully implemented a test bed to demonstrate the feasibility of electronically transferring documents within the FOIMS network.

Installed 246 stand-alone microcomputers at the field level in support of approximately 750 cases.

Established a training data base so that field offices may train personnel on an exact duplicate of the FOIMS applications.

Issued and obtained approval for the Data Administration Charter, which supports implementation of the principles of Data Resource Management.

Chaired an interdivisional committee to recommend policy regarding access to FBI data bases through the intelligent workstations. The committee's recommendations were approved by the FAD-Administration.

Twelve Data Base Design Review Board (DBDRB) meetings were held during 1985 to insure adherence to the approved long-range plan and appropriate standards and policies.

Implemented an ADP Audit Program to assess the adequacy, effectiveness, and efficiency of the TSD's system of internal control and to determine the quality of ongoing ADP operations.

Conducted a review of the internal controls of the FBIHQ Computer Center and the use of microcomputers in the field.

Program Changes: Increases of 44 support positions and $13,111,000 are requested for 1987. These increases are essential for this program to effectively support the information collection, storage, retrieval, and dissemination requirements of the FBI.

59-584 O—86——7

This level includes $12,000,000 to fund initiatives related to Artificial Intelligence (AI) and the use of expert systems. The FBI is constantly suffering from the loss of expertise as experienced agents retire. This phenomenon was brought to light when the FBI's Strategic Planning Group considered the impact of initiating a major effort to investigate Labor Racketeering. It was realized that "natural intelligence" is perishable, expensive, erratic, difficult to transfer, and difficult to document. In recent years, computer science research and development efforts in the field of AI have produced fruitful results. Expert systems provide assistance to humans involved in intellectual activities. These techniques are not merely mechanical aids in the handling of large amounts of data, but intellectual aids in the examination and decisionmaking processes utilizing this data. The FBI believes that law enforcement and intelligence activities are particularly well suited to the application of this new technology.

In 1984, Director Webster approved an initiative to apply AI to support several specific high-priority investigative needs consistent with the FBI's Long-Range Automation Strategy approved in 1981. The FBI plans to apply AI in the form of knowledge-based expert systems techniques to selected priority investigative programs involving labor racketeering, narcotics intelligence processing, and counter-terrorism. Moreover, expert systems techniques will be applied to achieve advanced name searching capabilities in all information systems and improved quality assurance in NCIC. These approaches involve eliciting functional knowledge and expertise from substantive experts in specific areas of interest; codifying this knowledge into a form (logic rules) which can be processed by computer; and developing an operational information system combining rules, investigative data, and additional logic to draw inferences about the subject matter (e.g., linkages among terrorist groups, likelihood of La Cosa Nostra involvement in union pension fund fraud, identification of aircraft in narcotics smuggling) and to explain automatically the chain of data and logic leading to the outcome. Such approaches have proven successful in medical diagnoses, military intelligence operations, and mineral exploration and have been a topic of primary interest throughout the intelligence community. After approval by the Director, ADPT is committed to several long-term developmental AI initiatives. Descriptions of these initiatives and anticipated benefits follow:

A knowledge-based system, containing heuristics (which are derived through interaction with designated experts) and facts (which are derived from existing data bases), will be developed to support the investigation of labor-racketeering. This developmental effort, which will require $1,500,000 in system engineering services, will result in a knowledge-based system with the following capabilities:

- Aid in the identification of corruptors of labor unions.
- Aid in the depiction of associates of designated individuals and enterprises and illegal acts they are committing.
- Identify and segregate informant information relating to labor-racketeering matters.
- Identify organizations with common officers who administer pension funds and automatically report when these individuals may be violating their fiduciary responsibility.
- Aid in the identification of organized crime figures controlling or corrupting specific unions.
- Access all Federal statutes associated with labor-racketeering in order to attempt to determine when these statutes are violated.
- Interface knowledge base with Department of Labor data base to update the knowledge base with data continually reported by labor unions.
- Search the data base and automatically identify facts or circumstances which indicate when a violation of Federal law has occurred, insofar as possible.
- Identify the most likely investigative steps to be taken in order to prepare a case for successful prosecution.
- Query the data base and retrieve information using a variety of techniques and multiple key phrases.

The FBI is directing a joint FBI/DEA effort to design, develop, and implement an expert system to perform real time analysis of drug intelligence to support the interdiction of vessel and airborne drug traffic. Current information processing activities are not sufficiently effective, and the intelligence generally perishes if DEA and the FBI do not succeed in interdiction. The ADPT program requires $8,500,000 to design, develop, and implement a turn-key expert system to support the FBI's and DEA's joint drug-related investigative effort. Information systems engineering is estimated at $5,500,000 and equipment at $3,000,000. This knowledge-based system will provide the following capabilities:

- Accept information on the movement of aircraft and vessels on a real time basis and update the appropriate data bases.
- Develop profiles of suspects, aircrafts, and vessels by establishing trends and patterns from existing data bases.
- Identify individuals who are using commercial and private aircraft and vessels to transport drugs and link these individuals to specific aircraft and vessels through profile characteristics and checks to other data bases.
- Track and locate identified subjects, aircraft, and vessels using data from aircraft and vessel sightings, informant reports, and immigration documentation.
- Provide information necessary to determine if interdiction of a specific aircraft and vessel is appropriate.
- Trace route travelled by seized aircraft and vessels and arrested subjects to identify trends in transportation patterns.
- Identify subjects and businesses of individuals associated with seized aircraft and vessels.
- Provide access to all relevant automated data bases (i.e., NCIC, Treasury Enforcement Communications System [TECS]) from a single workstation.
- Update appropriate data bases from a single data entry action.
- Analyze and evaluate interdiction and intelligence data.
- Provide investigative and analyst personnel on-line interactive support 24-hours-a-day, seven-days-a-week.
- Provide for as close to 100 percent system availability and required security as the state-of-the-art permits.
- Query data bases and retrieve information using a variety of techniques and multiple key phrases.
- Insure that appropriate intelligence is passed on to FBI and DEA field offices, should interdiction efforts fail.

ADPT requires $2,000,000 for systems engineering services to support the design, development, and implemetantion of an operational counterterrorism expert system. The knowledge-base system, like the labor-racketeering system, will contain heuristics and facts and will provide the following capabilities.

- Identify new groups that pose terrorist threats.
- Identify support and infrastructure of terrorist groups.
- Identify interrelationships between and among terrorist groups and the nature of those relationships.
- Identify need for terrorist intelligence information to support counterterrorism strategies and tactics.
- Profile terrorist individuals and groups based on skills, weapons used, places, types, and location of terrorist activities, group membership, and the group's operational base.
- Track terrorist individuals and groups based on travel patterns, allowing the FBI to react to terrorist incidents in a more timely manner.
- Update knowledge base by using new facts and heuristics.

The specific AI initiatives set forth above are already under development. Funding is requested to support the full development and implementation of these expert systems in 1987.

Increased personnel are required for two Regional Computer Support Centers (RCSCs). The revised staffing level for each RCSC, not including word processing or data entry personnel, is 64 support and three agent positions. The requested 44 positions will meet the revised staffing levels of the Northeast and Western RCSCs.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Attaches.....	76	74	5,412	76	74	5,470	76	74	5,470	...	...	...

Long-Range Goal: To insure continuous and prompt exchange of information with foreign law enforcement and other agencies to enable the FBI to meet its mandated responsibilities.

Major Objectives:

To develop and maintain liaison with foreign law enforcement and other agencies.

To provide a constant and prompt exchange of information and assistance with the above agencies.

Base Program Description: All liaison with the principal foreign law enforcement and other agencies throughout the countries covered by Legal Attaches are handled through continuous direct personal liaison. Investigative matters that have international ramifications are handled expeditiously by Legal Attaches and coordinated through appropriate components at FBI Headquarters. Continuous contact is maintained with Embassy personnel, including representatives of other United States law enforcement and other agencies, to insure maximum coordination is effected in accomplishing the overall objectives of the FBI. Domestic liaison is maintained with 25 Federal agencies.

The 13 Legal Attache offices will be staffed as follows:

POSTS	SPECIAL AGENTS	SUPPORT PERSONNEL
Europe		
Bern	2	1
Bonn	4	4
London	4	4
Paris	3	2
Rome	3	3

POSTS	SPECIAL AGENTS	SUPPORT PERSONNEL
Latin America		
Bogota	2	2
Montevideo	2	2
Mexico City	4	4
Panama City	1	1
Far East		
Tokyo	1	1
SE Asia/Pacific		
Hong Kong	1	1
Canberra	1	1
North America		
Ottawa	3	3
Training Legat	2	1
FBIHQ Liaison Unit	5	8
Total	38	38

With the current level appropriation at 76 positions, 38 will be staffed with special agents. The two special agent and one support position for training at FBI Headquarters are essential for filling vacancies during normal shifting and transfer of personnel at various Legal Attache offices. These training positions are designed to enable a smooth and continuous operation of all 13 Legal Attache offices. The three special agent and two support positions in the Liaison Unit responsible for domestic liaison maintain contact with 25 United States Federal agencies. The support position in this unit, responsible for Foreign Police Cooperation matters handles approximately 100 new cases per month.

Accomplishments and Workload: The following table reflects accomplishments of the Legal Attache program wherein Legal Attache offices are actually involved and do not include name check requests:

Item	1984	1985	Estimates 1986	1987
Investigative matters received	8,680	8,796	9,236	9,690
Number of foreign law enforcement and other agencies with which liaison maintained	225	230	235	240
Assistance in Foreign Police Cooperation cases	3,117	4,069	4,272	4,486

It is noted the Legal Attache offices' primary function is of a service nature, to assist and facilitate the fulfillment of the overall responsibilities of the FBI. Their performance, particularly in regard to the areas of organized crime, white-collar crime, narcotics, terrorism, and Foreign Counterintelligence, can only be measured in terms of the quality and timeliness of information exchanged with foreign contacts, and its effects upon domestic investigations conducted by the FBI and other United States agencies to which this information is disseminated.

The following are examples of qualitative performance measures of this program, indicating the significant role played by the Legal Attaches in the FBI's overall program:

1) Legal attache, Tokyo, Japan, directed an investigation, concerning espionage activities against the United States on behalf of the Soviets which occurred in Japan. The investigation resulted in the arrest of a former United States Military Intelligence Officer in the United States.
2) Legal attache, Rome, Italy, directed FBI request for investigation by Italian authorities concerning an Italy-to-United States major heroin smuggling ring. This joint investigation resulted in the arrests of the Italian and United States principals involved in this matter.
3) Legal attache, Paris, France, facilitated the recovery of $1.9 million of stolen United States securities in Brussels, Belgium.
4) Legal attache, London, England, participated in directing the joint United States/British investigation into the criminal activities in the United States and England by Provisional Irish Republican Army members. This investigation resulted in criminal convictions in the United States and Ireland.
5) Legal attache, Montevideo, Uruguay, developed information from Brazilian authorities involving illegal transportation of technology components from the United States to Brazil. When subject Nelson Souza Dos Santos was arrested in New York while attempting to depart the United States, he was in possession of $1.7 million in stolen securities.
6) Legal attache, Mexico City, Mexico, coordinated investigation in Mexico which resulted in the arrests of David Evan Pedley (father) and Mark Logan Pedley (son), involving a fraud matter and the recovery of $10 million in Texas Veterans' Bonds. Mark Pedley was recently convicted in San Francisco, California, and David Pedley is awaiting trial in Mexico.

7) Legal attache, Hong Kong, coordinated investigation required in Indonesia involving an indentured servants ring comprised of many Indonesian Nationals who were brought to the United States and sold as domestics in Los Angeles. A Federal grand jury has indicted 10 participants.
8) Legal attache, Canberra, Australia, developed significant information concerning bank fraud activities which occured in the United States, amounting to a $17 million loss to the United States Government. This investigation resulted in the conviction of a subject Anat Kumar Tripati, in the United States.
9) Legal attache, Bogota, Columbia, documented, the defrauding in Venezuela, of a United States bank in excess of $7.7 million. Subject is to be tried in New York City.
10) Legal attache, Montevideo, Uruguay, was responsible for recovering $988,000.00 and causing the extradition of subjects from Paraguay who were accused of embezzling $2.7 million from a Las Vegas bank.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Records Management	1,286	1,245	38,399	1,266	1,225	39,129	1,266	1,225	39,129	...	...	...

Long-Range Goal: To provide direct management control over the processing, operation, and maintenance of investigative, personnel, administrative, and general files.

To facilitate lawful public access to FBI records in response to Freedom of Information, and Privacy Act (FOI/PA) requests; and to ensure the adequate protection and safeguarding of all National Security Information (NSI).

To develop and implement an information architecture which focuses on Automated Data Processing/Telecommunicatins (ADP/T) and other state-of-the-art technologies.

Major Objectives:

Complete the conversion of the Federal Bureau of Investigation Headquarters (FBIHQ) active index to machine-readable, on line mode in order to facilitate searching capabilities in the Main Card Searching and Name Searching programs and to support the Field Office Information Management System (FOIMS).

Complete the phased implementation of single station mail processing which will result in an item being classified, searched, serialized and recorded in one station.

Manage a complex program for FBIHQ and the field to dispose of duplicate and nonessential record material, identify and prepare the appropriate permanent records to be accessioned to the National Archives, and microfilm historical records that require permanent retention.

Maintain, repair, and store voluminous hard copy files in an efficient manner.

Ensure mail is routed, classified, searched, serialized, corrected, and recorded promptly and to provide mailing, courier, and messenger services in the most cost-effective manner.

Provide file review, name searches, and locate services in response to name check requests received from Executive Branch agencies and FBIHQ divisions.

Articulate, justify, and defend the FBI's position for withholding NSI in FBI files by implementing quality control procedures to seek compliance with Executive Order (EO) 12356 and Department of Justice (DOJ) directives by filing affidavits/declarations in response to Freedom of Information Act (FOIA) civil matters in a U. S. District Court.

Classify and protect NSI and informants or declassify information in FBI documents which are sought through FOI/PA individual requests and court actions.

Respond to administrative FOI/PA appeals containing NSI by reviewing classification decisions applied to FBI documents with the DOJ Review Committee and to ensure that the NSI withheld meets the substantive and procedural requirements of the current Executive Order and DOJ implementing directives.

Ensure individuals requesting security clearances meet eligibility requirements and criteria for continued Federal employment and to conduct training seminars for FBI personnel in the areas of safeguarding NSI and its vulnerability to compromise.

Reduce the backlog of unprocessed FOIPA requests and the amount of time required to complete each matter.

Complete an analysis of the need and utility of a more structured reporting format to consistently and completely obtain identifying data on subjects, suspects, and victims and to monitor existing and newly implemented automated systems to ensure performance at levels acceptable to the users.

Institute a quality assurance program to assess completeness, accuracy, and timeliness of automated data and institute appropriate procedures to enhance its integrity.

Development of data base management systems and indices management software (records creation, modification, deletion and searching) to ensure consistency between FBIHQ and the field offices.

Base Program Description:

The Records Management Decision Unit is composed of five major components: Administrative Unit, Records Section, Operations Section, Freedom of Information/Privacy Act (FOI/PA) Section, and the Office of Automation and Information Management.

The Administrative Unit is responsible for coordinating RMD personnel matters, staffing, employee relations, and position classification services. Additionally, the Administrative Unit is responsible for coordinating budget submissions, reports relating to long-range planning, and addressing training matters for RMD personnel.

The Records Section is responsible for the consolidation and corrective action of FBI Headquarters records system; facilities management; maintenance of the general index; mail management; the dispatching of all outgoing FBI Headquarters mail; maintenance of FBI Headquarters files; processing FBI Headquarters correspondence; implementing records-processing procedures; duplication matters; field office matters; Forms and Reports Management Desk; Manuals Desk; micrographics program; records disposition and archival matters; maintenance of the ELSUR index; promulgation of administrative ELSUR policy; and for the processing and control of all Top Secret/Sensitive Compartmented Information documents at FBI Headquarters.

The Operations Section is responsible for providing automated name searches; file reviews; classification reviews; the Security Program; processing National Security classification appeals matters and preparation of affidavits concerning National Security Information; and a classification review of records to be accessioned to the National Archives.

The FOI/PA Section is responsible for responding to requests for access to FBI records as required by the Freedom of Information and Privacy Acts and preparation of affidavits when challenged on the administrative level or in court to justify the withholding of records and information.

The Office of Automation and Information Management comprises three entities as follows: (1) Information Management, Planning, and Analysis; (2) Systems Integration, Training, and Technical Management; and (3) Records Assurance and Word Processing. The Information Management, Planning, and Analysis group has responsibility for the development of an information architecture and a long-range information automation plan. The Systems Integration, Training, and Technical Management group has responsibility for maintaining and evaluating existing and newly implemented systems, and providing training. The Records Assurance and Word Processing group is responsible for the implementation of a complete records assurance program and Word Processing Center.

198

Accomplishments and Workload:

	1984	1985	1986	1987	
Workload:					
Mail to be processed	3,169,670	3,470,314	2,900,000	2,900,000	(1)
Files requested	737,100	653,745	725,000	725,000	
Accomplishments:					
Mail classified	1,522,889	1,751,319	1,485,000	1,450,000	(2)
Mail searched	449,818	476,052	465,000	475,000	
Mail recorded	1,171,679	1,242,943	1,140,000	1,140,000	
Mail filed	1,287,901	1,300,529	1,200,000	1,200,000	
Index cards filed	1,170,131	1,149,535	450,000	50,000	(3)
Files pulled	529,965	409,074	530,500	530,500	

Pages filmed	705,164	700,000	700,000	600,000 (4)
Mail dispatched	3,947,771	6,244,935	7,500,000	7,500,000
Duplicate deletes	68,966	54,287	90,000	90,000
Alphabet converted	35%	75%	90%	100%(5)
Workload:				
Name checks received	2,282,019	2,313,769	2,300,000	2,300,000
Security clearance investigations requested	467	478	545	690

(1)&(2) These FY 1986 and 1987 estimates are based on source data entry of index information by the field and the universal file number being fully implemented.
(3) These estimates are based on the conversion of the FBIHQ general index to a machine-readable, on-line mode.
(4) These estimates are based on completion of the implementation of the Legal Attache Micrographics Program.
(5) This percentage of the alphabet will be converted only if planned overtime continues.

Pages reviewed for national security affidavits/ declarations	395,320	497,748	450,000	350,000
Pages reviewed for administrative appeals	300,000	398,372	400,000	350,000
Pages to be reviewed for classification	971,360	1,151,960	1,121,393	1,138,833
Accomplishments:				
Name checks handled	2,131,447	2,078,083	2,200,000	2,200,000
Security clearance investigations handled	467	478	545	690
Pages reviewed for classification national security affidavits/declarations	456,937	497,748	450,000	350,000
Pages reviewed for administrative appeals	348,071	398,372	400,000	350,000
Pages reviewed for classification	726,979	805,567	757,560	757,560
FOIPA PROGRAM				
Workload:				
New requests	11,503	11,344	11,250	11,250
Number of new/reopened				

requests involving identifiable records	5,464	5,226	5,164	5,164
Appeals	892	848	857	860
Correction/amendment requests	82	66	71	71
New litigation matters	103	98	98	98
Accomplishments:				
No record and/or other administrative closings	7,703	6,855	7,166	7,166
Requests processed with identifiable records released or denied	4,303	4,274	4,205	4,271
Total requests handled	12,006	11,129	11,371	11,437
Appeals completed	1,003	865	869	872
Correction/amendment requests resolved	82	66	71	71
Litigation matters completed	160	158	113	108

RECORDS PROGRAM:

The OAIM was created in the latter half of 1985 to address user needs and concerns regarding the implementation and subsequent management of automated information. These needs and concerns were partially the result of the accelerated implementation of FOIMS and the implementation of automated searching techniques of the FBI Headquarters General Index (HQGI). The automated HQGI contains the index data of all new mail since July 1976 and eventually will contain information from all letter groups since 1973 in criminal classifications and since 1958 in security and other classifications. The latter, a conversion process involving the transfer of data from 18 million 3"x5" index cards, was 75 percent complete at the end of 1985.

The OAIM was implemented in 1985 and conducted audits of field office manual records to be automated. The staff have also participated in the training of field office personnel during the FOIMS implementation stages. Several field offices were provided the base line capability of FOIMS during 1985. OAIM initiatives reduced the response time of inquiries of the HQGI from a range of 40 to 60 seconds to between three and five seconds per inquiry, which has greatly improved the automated name searching efficiency of the Operations Section.

A statistical validation of the converted HQGI was also implemented by OAIM during 1985 and has resulted in the implementation of several quality assurance procedures to improve internal control and retention of processed information. These procedures have already proved successful in the early detection of deficient internal control procedures in magnetic tape management. The validation process is expected to begin certification of the beginning letters of the alphabet in early 1986. Resources have also been expended in the development of an automated microfiche system as an interim emergency backup until appropriate emergency backup can be provided via the planned redundancy capabilities of the FBI regional computer centers.

Quality assurance procedures have also been implemented to address field office areas of concern relative to their newly automated indices. Overall response from the field has been positive with OAIM quality assurance assistance to date and new enhanced quality control procedures will be implemented during 1986 based on recognized needs and continued field office input.

The Records Section has continued with the conversion of the active index to a machine-readable format. The Data Recording Subunit has converted 13,511,894 cards (approximately 75 percent of the active index), and completed deletes and consolidation of 54,287 erroneous and/or duplicative data, of which there were over 1.5 million records. This subunit implemented the processing of all classifications through the on-line system. Five on-line and four batch mode computer subsystems have been installed in the Data Recording Subunit.

The Records Section took action to standardize the administrative handling of record check matters by the FBI field offices in order to ensure the accuracy of the Monthly Administrative Report submitted to FBIHQ by the field offices.

The Records Section worked with the Administrative Services Division and the Government Printing Office to develop prototype color-coded file fronts and backs for use at FBIHQ and the field. This initiative will realize significant savings. Previously, the FBI used solid color-coded file fronts and backs. The prototype developed utilizes standard white card stock with color coding placed only on the border of the file front. Fifty thousand prototype file fronts and backs have been recently delivered by the Government Printing Office for evaluation. Until the evaluation has been completed and cost factors developed by the Government Printing Office, no savings can be quantified.

The Records Section secured the random and statistical start numbers for various FBIHQ file classifications from the National Archives and Records Administration (NARA) and used this data to compress a volume of investigative files at FBIHQ in order to recover badly needed floor space for expansion. As a result of this initiative, files were compressed which freed up space utilized by 300 file cabinets. Additional file compression will be implemented as necessary to recover additional space for expansion.

As a result of the file compression project, the Records Section recovered sufficient floor space to expand the Special File Room Subunit. In formulating plans to expand the Special File Room Subunit rolling-shelf equipment was ordered which will compress the existing record holdings of the Special File Room Subunit by 38 percent.

The Records Section continues to render assistance to the Drug Enforcement Administration (DEA) in mail management and records procedures. Specifically, the Records Section recommended the acquisition of X-ray equipment by the DEA to screen incoming mail.

The Records Section provided the DEA with detailed information to enable that agency to commence a serialization process to assist in the retrievability of indexed information.

Representatives of the Records Section assisted the Legal Counsel Division and the Administrative Services Division in conducting seminars throughout the field in forfeiture matters.

The Records Section accomplished the indexing of the identities of 19,000 individual participants in the Witness Security Program (WSP). It was necessary for the Records Section to work with the Identification Division to assist the U. S. Marshals Service in taking the necessary administrative action to correct duplicate, incomplete, and erroneous information pertaining to WSP participants.

The Records Section obtained an Intra-Departmental Reimbursement Agreement with the U. S. Department of Justice, Office of Enforcement Operations (OEO), to microfiche a volume of extremely sensitive WSP files maintained by OEO.

Representatives of the Records Section conducted two regional seminars in Electronic Surveillance (ELSUR) matters during 1985 and rendered specialized, on-site assistance to the New York Office in ELSUR matters on two occasions.

During 1985, representatives of the Records Section provided on-site assistance to the Los Angeles and Norfolk Offices in connection with sensitive foreign counterintelligence (FCI) matters. As a result of this assistance, ELSUR information obtained by these offices met the standards for presentation during the prosecutive stages of these FCI matters.

Representatives of the Records Section responded to a special request for sensitive information by the Office of the Secretary of the Department of Treasury and other components of the U. S. Government. According to the Office of the Secretary, action taken by Records Section employees resulted in savings to the U.S. Government of several million dollars.

The Records Section hosted a meeting of the Association of District of Columbia Archivists at FBIHQ. A detailed briefing on the FBI's central records systems was provided.

At the request of NARA, the Records Section arranged for the inclusion of the FBI's records schedules (SF-115s) in the Machine-Readable Catalogue (MRC) and the Research Librarians Information Network (RLIN). These systems will be utilized for scholarly research and will be available at certain university libraries. The Records Section coordinated this matter with the Legal Counsel Division.

During 1985, the Records Section took action to streamline the submission of Form II reports required by the Department of Justice in ELSUR matters in order to compile information for the Administrative Office of the U. S. Courts. Action taken by the Records Section included the use of a stand-alone computer to follow the utilization by the field of ELSUR techniques and to capture required statistical data.

Through the monitoring of the FBI's duplication program, the Records Section realized direct savings to the FBI of over $347,312 during 1985. In addition, the Records Section has formulated plans to realize savings in the duplication program of $1,735,000, for the FBI over a five-year period.

The Records Section, acting in conjunction with the Technical Services Division, standardized indexing procedures between FBIHQ and the field to permit the implementation of source data entry in the field in connection with FOIMS. In this connection, a comprehensive, detailed indexing manual was published and distributed to the field. Regional seminars are now being conducted by representatives of the Records Section to assist the field in assimilating changes in indexing procedures to prepare for the implementation of FOIMS.

The Records Section implemented a micrographic program for Legal Attaches and took necessary action to procure required microfiche readers. A comprehensive training program for special agent and support personnel assigned to Legal Attache offices has been implemented; this program will greatly enhance security of Legal Attache records.

The Records Section has taken steps to automate the control of Top Secret/Sensitive Compartmented Information documents which will increase security and accountability for these documents.

The Records Section initiated procedures for the single station processing of FBIHQ mail. A single station pilot program is now operational which eventually will lead to the consolidation of various records processing subunits.

The Document Classification Unit (DCU), conducted document classification reviews for FOI/PA requests, civil discovery law suits, FOI/PA appeals, and requests from the Executive Agencies Unit. A total of 805,567 pages were reviewed, consisting of 625,856 pages for FOI/PA, 157,392 pages for civil discovery, 9,857 pages for FOI/PA appeals and 12,462 pages for the Executive Agencies Unit. An additional 36,580 pages were researched to complete the review of appeal pages. A total of 640,777 pages were photocopied to support the notification process, advising of classification changes.

In 1985, the Classification Appeals and Affidavits Unit (CAAU) reviewed 407,481 pages of FOI/PA administrative appeals, mandatory reviews, initial requests to the Attorney General and requests by other executive agencies for systematic declassification reviews, and reviewed 25,565 pages of FBI records in completing the processing of administrative appeals finalized by the Document Review Committee and reviewed 497,748 pages of FBI records in response to FOI/PA litigation.

The Executive Agencies Unit (EAU), in 1985, received a total of 2,249,771 name check requests from Executive Branch agencies, certain Congressional Committees, the Federal Judiciary, foreign police and other agencies, and state and local agencies within the Criminal Justice system. Approximately 114,000 name check matters were handled during a "special" for the Immigration and Naturalization Service under the Cuban Adjustment Program. Approximately 2,500 names were expeditiously handled for the U.S. Secret Service agency in preparation for President Reagan's visit to the United Nations General Assembly Conference held in New York. Employees reviewed approximately 87,000 investigative files and prepared 3,677 outgoing communications in response to all name check requests.

In 1985, the Service and Support Unit (SSU) received approximately 2.3 million name check requests under the name check program and handled approximately 2.1 million of these request, of which 486,087 were performed by electronic searching of our now existing central index automated data base. These name searches provided 1.3 million file references to determine if identifiable and pertinent with the subject of the name check request. Employees handled 31,846 expedite telephone requests for a search of our central files in response to requests by FBI Headquarters supervisory personnel.

The Security Programs Unit (SPU) in 1985, conducted 478 security clearance investigations. SPU recommended the development of a Top Secret Security clearance procedure for the FBI which was approved. Employees conducted a total of 680 briefings/debriefings and certified 2,845 clearances and special accesses. Information Security at FBIHQ by the Division, reviewed 18,593 documents for proper classifications; designed and implemented a program for investigating information security violations by Security Officers and also developed a process for conducting and reporting damage assessments. Personnel Security has streamlined the Security Vulnerability Assessment process, and addressed 122 cases; 597 marriage cases; 1,569 five-year reinvestigations; 2,275 FD-285 reviews; and 4,564 personnel file reviews. SPU identified the need for a FBI Industrial Security Program (ISP) and recommendations are pending for the development and implementation of a program.

FOI/PA Program:

During 1985, the FOI/PA Section received 11,344 new requests. At the same time 5,226 requests involving identifiable records were assigned for processing. A total of 11,129 requests were processed, 865 administrative appeals were finalized, 66 correction/amendment requests handled and 158 litigated matters resolved.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Technical Field Support and Equipment	150	147	$61,587	150	147	$52,202	154	151	$77,166	4	4	$24,964

Long-Range Goal: To provide essential technical support and equipment to the FBI field offices and conduct necessary research and development to maintain a level of technology sufficient to overcome foreign and domestic adversaries.

Major Objectives:

To develop a Technical Field Support and Equipment long-range plan, including an overall strategic outlook and tactical acquisition and implementation plans for each of the various programs within this decision unit.

To provide centralized management of the FBI's FM radio communications systems.

To implement security features such as voice privacy in the FM radio communications systems.

To conduct research and development efforts regarding new technical capabilities applicable to the FBI's investigative missions.

To identify and integrate common FBI/DEA engineering functions to realize increased efficiency and effectiveness.

To input FBI requirements to the research and development program at the Defense Advanced Research Products Agency (DARPA) in order to reap the benefits of DARPA's extensive research efforts.

To provide technical expertise in the examination of electronic-related evidence such as recordings and communications interception devices and to provide expert court testimony relating to these examinations.

To replace the field's inventory of audio collection and recording equipment, audio analysis equipment, physical surveillance equipment, physical security and countermeasures equipment, firearms and tactical equipment, photographic equipment, crime-scene examination equipment, furniture, general office equipment, and automotive maintenance equipment as it reaches the end of its useful life.

To provide the field with sophisticated technical equipment and on-site technical support required to support the FBI's complex and demanding investigative activities.

To insure the physical security of FBI facilities and to satisfy the requests of the Department of Justice (DOJ) and other agencies for electronic audio countermeasures.

To increase recruitment efforts and to provide training for the technically trained agents and electronic technicians in order to upgrade their skills and keep them current on new technology and techniques.

To provide and maintain safe, reliable, and effective passenger-carrying automobiles and special purpose vehicles by replacing vehicles in the most cost-effective manner possible.

To monitor construction of the Engineering Research Facility (ERF) at the FBI Academy, Quantico, Virginia. The building is expected to be ready for occupancy in the Fall of 1988.

Base Program Description: The primary mission of the FBI is the investigation of violations of certain Federal criminal laws and hostile foreign intelligence operations within the United States and its territories. During the past several years, the FBI has intensified its investigations of organized crime, white-collar crime, and other violations. In addition, the FBI has assumed an investigative relationship with the Drug Enforcement Administration (DEA). The fundamental authorization for the activities of the FBI is contained in Chapter 33 of Title 28, United States Code, which inherently includes the activities of this decision unit. The Omnibus Crime Control and Safe Streets Act of 1968 and other redundant laws provide the basis for FBI domestic technical activities relative to the investigation and prosecution of the criminal element. The Foreign Intelligence Act of 1978, Executive Order 12333, and Presidential Directive PD/NSC-24, as well as existing espionage, sabotage, and foreign registration laws, provide the basis for FBI activities relating to national security and foreign counterintelligence. Title 28, Code of Federal Regulations, Section 0.85, Sub G, directs that the FBI provide technical and scientific assistance to Federal, state, and local law enforcement agencies. Specific tasking by the intelligence community dictates that the FBI provide support in the collection of intelligence information and in the operation of the Interagency Telephone Laboratory.

The Technical Field Support and Equipment (TFS&E) Decision Unit provides technical investigative support to the field and maintains centralized management of all field equipment to maximize its use and expedite the completion of complicated investigative matters. Frequently, investigative objectives could not be met without sophisticated technical support. All field investigative programs are dependent upon the technical support and services provided by this program.

The primary thrust of this decision unit is the development, design, engineering, procurement, distribution, and installation of technical support equipment required for the successful accomplishment of the FBI's investigative missions and availability of adequate personnel to install, maintain, and assist in the operation of that equipment. This support is provided by the following major TFS&E programs and equipment categories:

Radio Engineering: This program provides management, equipment development and procurement, maintenance, and frequency management support to all 59 field offices and other FBI elements which utilize radio communications. It provides support in areas of "clear" FM, Digital Voice Privacy, and Electronic Technicians Program Management. The integration of FBI, DEA, and U.S. Marshals Service radio communications is managed through this program.

Countermeasures: The countermeasures program provides technical expertise and equipment for the protection of FBI and other selected Government facilities which do not have countermeasures capability. This program also provides centralized management to include training of FBI Technically Trained Agents and personnel of other Government agencies; procurement of countermeasures equipment to ensure that the best available equipment is used in conducting technical inspections; and liaison with other Government agencies to keep abreast of any new technology in the countermeasures field.

Interception of Communications (IOC): This program performs various electronic examinations, including IOC related cases, telephone toll fraud, burglar alarm defeat systems, radio devices, and scanners.

Research and Development: The research and development program is responsible for three broad functions: technology assessment and evaluation, general engineering support, and program management of research and development projects. The products of research and development support all other programs in this decision unit. This decision unit must continue its research and development efforts to maintain a level of technology sufficient to overcome the Nation's foreign and domestic adversaries.

Operational Support Unit: This unit is responsible for the development, design, engineering, procurement, distribution, and installation of technical support equipment required to assist the field with both physical and electronic surveillance in the successful accomplishment of the FBI's investigative mission. In addition to having knowledgeable personnel available to assist with the installation, maintenance, and operation of the more complex equipment, the Operational Support Unit manages the Technically Trained Agent Program and is responsible for training new technical agents. To effectively respond to the growing field requests for more sophisticated and specialized technical equipment, the unit is broken down into eight management groups to better support the FBI's investigative mission. The eight groups are:

Closed Circuit Television (CCTV): This group manages the largest inventory of equipment with the widest range of characteristics which must be matched with requirements of each installation for optimum results.

Microphone/Drilling/Telephone: This group has extensive responsibilities in the audio collection area and manages the FBI's inventory of equipment, including telephone and microphone systems. This group has developed and continues to enhance a multiple line computerized dialed number recorder system and will continue to deploy this system in order to meet the needs of the field for increased dialed number recorder coverage in investigative matters. Additionally, this group will continue to assist the field in the construction and equipment outfitting of fixed monitoring facilities, as the need for such facilities are identified.

Electro-Optical Physical Surveillance: The Electro Optical area is one of rapid technological growth and this group is being expanded in order to capture that technology which will enhance the FBI's investigative capabilities. They handle an extensive range of equipment which varies from standard viewing aids, such as binoculars, to the more sophisticated stabilized optics and night viewing equipment, to highly complex classified systems. This group is also developing optical tracking systems and is examining fiber optic transmission systems.

Specialized Technical Surveillance Vehicles (STSV): The STSV has become an essential investigative tool. Replica vehicles and sophisticated, well equipped surveillance vans are required for successful completion of the FBI's mission.

RF/Radio Surveillance Aids: The major emphasis of this group is to meet the needs of the field for miniature transmitters for criminal investigations. The original transmitters were purchased in 1973 and are beyond their life expectancy. Body transmitters are ranked number one on most field surveys for Operational Support Unit equipment. Due to the FBI's increasing investigative responsibilities, particularly in the area of narcotics, there are more joint DEA-FBI cases and there has been an increased demand not only for body transmitters but also for radio direction finding equipment which is compatible with DEA beacons. There remains the urgent need to procure and deploy a smaller, more usable Motion Controlled Transmitter (MCT). The current MCT Package is about 15 years old, and although a number of modifications have been made, it is not responsive to field needs.

Technically Trained Agent (TTA) Program: The latest available estimate of work load indicators reflects a ten percent to 20 percent increase in the use of investigative techniques requiring the use of technical equipment. In addition to the increased demand, the complexity of the technical equipment being furnished to the field has increased significantly. The training of new TTAs and specialized training for current TTAs is restricted to available space at Quantico.

Crisis Management: In order to provide sophisticated technical support to the FBI's response in counterterrorism and/or hostage situations, the immediate availability of unique technical equipment is essential. As the threat of terrorist violence within the borders of the United States increases, so must the capabilities of neutralization, both in terms of manpower, training, and equipment.

Locks and Alarms: Although a significant amount of the work done in this group is offensive, that is, to bypass locks and alarms during investigations, the majority of the expenses are for defensive systems, which require a significant amount of maintenance and parts replacement to insure optimal performance of the systems. Base funding for the program has been allocated for the purchase of new alarm systems in order to learn their strengths and weaknesses. Provisions have been made for the replacement of outdated equipment and to insure proper maintenance of current equipment.

Signal Analysis Unit: There are two major programs within this Unit, the Audio Processing Program and the Field Recording Equipment Program. The majority of FBI investigations require continuous use of recording equipment to gather evidence; clear and understandable recordings are the best evidence that can be used to substantiate the testimony of witnesses and show the willing participation in the crime. An intelligible recording protects both the rights of the public and the rights of the accused to insure there is no question as to the intent of the parties to the conversation and does not rely on the sometimes frail and/or slanted memories of the participants. Without the proper recording and audio processing equipment, the FBI would not be able to collect, duplicate, enhance, transcribe or present valuable, intelligible recorded evidence in court.

Audio Processing Program: There are two major features of this program which are closely related and support each other. The first is the conducting of forensic examination in the areas of: 1) the enhancement of recordings of marginal intelligibility, (2) determining the authenticity of recorded evidence through a wide variety of sophisticated signal analysis techniques, (3) speaker identity for investigative purposes using the sound spectrogram (voiceprint) technique, (4) analysis of electronic signals to determine their origin and meaning, (5)

analysis of video recordings to enhance, duplicate, and determine the origin of various formats of video recordings, (6) evaluation of audio recordings from technical installations and provide guidance to improve quality, and (7) providing on-site assistance with technical installations and real time audio processing to eliminate masking noises. As authorized by Congress, the services of this program are provided to other federal, state, local, and certain foreign law enforcement agencies in high-priority criminal matters. The second major feature of this program, which arises from and supports the requirements of the first, is the development of highly sophisticated electronic processing of audio information, providing capabilities previously only imagined.

Field Recording Equipment Program: The major functions of the FBI's Field Recording Equipment Program are to evaluate, select, purchase, modify, distribute, and maintain: (1) recording, (2) duplication, and (3) audio presentation equipment. Through the efforts of this program, a high-quality stereo body recorder was developed, which has become the standard by which others are judged. Continuing development efforts are driven by requirements developed through this program. As authorized by the Department of Justice, this equipment is loaned to other federal, state, and local law enforcement agencies in high-priority criminal investigations.

Firearms and Tactical Equipment: This category of equipment includes handguns, shotguns, rifles, and scopes. It also includes special equipment for the field Special Weapons and Tactics (SWAT) teams.

Photographic, Photographic Laboratory, and Crime-Scene Examination Equipment: This category includes cameras, lenses, and technical equipment to collect physical evidence at the scenes of crimes. Also included is field equipment necessary to support the development and printing of photographs.

Furniture and Office Equipment: The FBI must replace field office furniture and office equipment reaching the end of its useful life.

Passenger Carrying Automobiles: The FBI maintains a fleet of 6,139 automobiles to meet the basic transportation requirements of the investigative work force. The FBI fleet is centrally managed at FBIHQ. There are 39 maintenance facilities, which are staffed by 70 automotive maintenance employees. Methodologies are employed to determine the selection of automobiles, number to be purchased, and distribution to field locations.

Surveillance and Utility Vehicles: Vans, trucks, and utility vehicles are used for surveillance and investigative support activities. The increase in both the complexity of cases and the number of electronic surveillance cases has precipitated requirements for additional surveillance and utility vehicles.

Accomplishments and Workload: Installation of a radio voice privacy system for the Los Angeles office has been completed. Installation of systems for New York, Chicago, Boston, Miami, and Washington Field offices is near completion, with final testing currently being conducted. A contract for radio voice privacy systems has been awarded for the Detroit, Cleveland, Las Vegas, Baltimore, Philadelphia, Newark, Pittsburgh, Kansas City, San Francisco, St. Louis, New Haven, San Juan, Albany, Buffalo, Atlanta, Dallas, and Houston offices. Contracts have been awarded and equipment procurement efforts are underway for 13 additional field offices.

The Attorney General had designated the FBI the lead agency in the development of an integrated DVP system to support the FBI, DEA, and the U.S. Marshals Service. The Institute for Defense Analyses (IDA), under contract to the FBI, is performing an independent assessment of the requirements of integrating the systems for the three agencies under the current FBI architecture.

During 1985, the Engineering Section completed the move to a temporary site in Newington, Virginia, to accommodate its growing staff and expand its ability to furnish rapid, state-of-the-art technical assistance to priority FBI missions. The Section had initiated the design of a new permanent facility at Quantico, Virginia, which will include integration of DEA technical support and research and development. Current plans call for the completion of this facility for the Fall of 1988.

The Engineering Section Staff has been augmented through an aggressive, selective recruitment effort that has brought to the Section well-qualified technical personnel who will further the mission of the FBI.

Architectural and engineering studies were conducted to determine the cost of collocating DEA engineering activities within FBI engineering facilities.

The FBI continued to use its expertise in forensic examinations of taped conversations and magnetic tape to support FBI and other Federal, state, and local law enforcement requirements. This expertise is considered to be the best in the world. Over 3,600 recordings were examined to facilitate recovery of intelligence and support expert testimony was given in 55 cases.

The FBI had substantially improved the overall management of its vehicular fleet by consolidating all fleet related administrative matters into one centralized entity staffed by professional fleet administrators. The FBI has the most advanced computerized information system in the Federal Government, which can provide inventory and operating cost data to management personnel. Field managers are also provided quarterly automotive reports setting forth both fuel and maintenance costs for each vehicle assigned to their respective offices. Procurement activities have been streamlined, reducing unnecessary paper flow and resulting in the delivery of new vehicles much earlier in the model year. An aggressive training program for Automotive Maintenance Employees has been implemented to insure proficiency with the new computer operated engine systems and front-wheel drive vehicles. FBI maintenance facilities have been re-equipped with the newest diagnostic equipment and certified by General Motors Corporation and Ford Motor Company to perform in-house warranty repairs. A rigorous preventive maintenance program has been established that has resulted in a decline in maintenance costs.

In 1985, 30 Technically Trained Agents received two weeks of instruction on Technical Support Countermeasures (TSCM) subjects and techniques. They were also trained in the use of the FBI's current TSCM equipment. In addition, 38 Technically Trained Agents received two weeks of enhanced TSCM training.

On-site technical assistance was provided to the field offices and technical support to undercover operations continued. Each of the FBI's major undercover operations was supported by some type of technical support which included video, audio and/or surveillance equipment. The use of such equipment is vital to obtaining critical evidence necessary to sustain a conviction.

The Committee for Overseeing the Application of Technical Support (COATS) was established with representation at the Deputy Assistant Director level from the Intelligence, Criminal Investigative, and Technical Services Division.

Established a Project Review Board to provide periodic reviews of engineering programs and projects to the highest level of management.

Program Changes: Increases of four support positions and $24,964,000 are requested for 1987. These increases are essential for this program to effectively support the investigative activities of the FBI.

This level includes four support positions and $18,366,000 for the FBI's move toward replacement of its entire radio system with voice privacy equipment. This move is in response to the monitoring of FBI radio frequencies by the general public, the news media, and criminal elements. A needs assessment study was conducted in the New York, Chicago, Boston, Miami, and Washington, D.C., field offices. This study has determined that based on enhancements to the original voice privacy system and increases in agent personnel through 1986, the FBI would require resources above its original estimate for implementation of the entire digital voice privacy system. The enhancement is requested to provide the increased geographic radio coverage required by all field offices, and to provide for the increases to the FBI Special Agent complement.

Personnel increases for the Digital Voice Privacy Program include four electronics technicians to support voice privacy installations.

This level of funding includes an increase of $3,779,000 for lease of radio sites. Installation of the Digital Voice Privacy System has caused an increase in the number of leased sites required for each system, in addition to a growth in the cost of most sites due to increasing quantities of equipment, especially microwave, at the sites. Site requirements for 23 offices, for which systems have been designed, have increased by 170 percent from 344 to 930 sites.

This level of funding includes an increase of $1,836,000 for the Research and Development Program. This includes $500,000 for developmental projects related to countermeasures which are essential to protect the FBI and other selected government facilities. $1,000,000 is requested for projects related to counterterrorism to combat the threat of terrorist violence and activities within the United States. $336,000 is requested for computer aided engineering, design, and manufacturing, electronics fabrication, and other test equipment in the Engineering Services area which supports all Engineering projects within the FBI.

This level includes funding of $983,000 for passenger-carrying automobiles. This will allow the purchase of vehicles to support the additional investigative positions which are being requested by the FBI in 1987.

Activity: State and Local Assistance	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Law Enforcement Training..	283	275	$16,413	283	275	$16,667	283	275	$12,385	...	...	-$4,282
Forensic Services - Non-Federal...	122	119	8,032	122	119	8,359	122	119	8,359	...	...	...
Fingerprint Identification.....	2,573	2,585	74,175	2,573	2,585	75,860	2,573	2,585	75,860	...	...	...
Criminal Justice Data and Statistics Services.....	204	199	8,000	207	202	8,501	207	202	8,501	...	...	...
Total.....	3,182	3,178	106,620	3,185	3,181	109,387	3,185	3,181	105,105	...	...	-$4,282

This activity supports state and local law enforcement by providing training and furnishing laboratory, identification, and informational services. The FBI National Academy, the National Crime Information Center (NCIC), and the Uniform Crime Reporting (UCR) programs are but a few of the services funded under this activity.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Law Enforcement Training.....	283	275	$16,413	283	275	$16,667	283	275	$12,385	---	---	-$4,282

Long-Range Goal: To improve the investigative, managerial, and technical capabilities of local, county, and state law enforcement personnel through the process of training and education.

Major Objectives:

To continue to provide training to 800 state and local law enforcement officers annually in the FBI National Academy Program.

To scientifically identify training needs at the state and local level through a Nationwide Law Enforcement Training Needs Assessment Program.

To provide timely training programs on issues of critical concern to the law enforcement community both in the field and at the FBI Academy.

To train local police officers to become qualified instructors.

To conduct approximately 275 advanced schools annually by FBI Academy personnel in support of the Field Police Training Program (FPTP).

To maintain the FPTP at a level of 65,888 hours of instruction for 199,326 officers.

To continue to provide crime analysis, criminal personality profiles, and violent crime related information in order to assist local law enforcement in the resolution of major crimes of violence.

To continue instructional emphasis on violent crime matters using existing and developing systems.

To operate and promote the National Center for the Analysis of Violent Crime (NCAVC) to administer research, training, and investigative support programs designed to assist the law enforcement community in their understanding and investigation of violent crimes which are particularly unusual, bizarre, and vicious.

To participate in one regional and 35 FBI National Academy retraining sessions for the 47 Chapters of the FBI National Academy Associates.

To continue to publish scholarly articles by FBI Academy personnel on a wide variety of subjects of concern to the local law enforcement community.

To provide, on a limited basis, training in basic criminal investigative matters to foreign police in the Caribbean area and in the Pacific Islands Trust Territories.

To conduct the FBI National Law Institute for the instruction of Federal, state, and local legal advisors.

To promote a closer, more harmonious working relationship between the Drug Enforcement Administration (DEA) and the FBI by providing training, research, and investigative support.

Base Program Description: The General Law Enforcement Training (GLET) mission of the FBI is achieved by the interaction of diverse programs offered at the FBI Academy and provided through the FPTP. The FBI Academy offers a wide variety of training programs which are made available to selected criminal justice personnel. The courses range from highly technical one-week programs to the eleven-week National Academy Program. In a presentation taped for the FBI National Academy Associates retraining session July 17, 1985, at Tampa, Florida, commemorating the fiftieth anniversary of the National Academy, President Ronald Reagan included the following observations in discussing the accomplishments of the National Academy over the past 50 years: "The National Academy is an example of Federalism at its best, enhancing the ability of state and local authorities to do their jobs. Actually, one might look at it as paying back local and state law enforcement for their day-to-day assistance in helping Federal officers make arrests, gather information, and develop cases. It is cooperation which benefits everyone. This cooperation is crucial in confronting such problems as narcotics, white collar crimes, and crimes assisted by high technology."

Through the process of identifying training needs, the FBI Academy staff conducts research, establishes program objectives, and develops courses of instruction to meet the identified training needs. For example, the need for executive training led to the development of the National Executive Institute (NEI) in 1976, and the Law Enforcement Executive Development Seminar (LEEDS) in 1981. Both programs, in conjunction with the National Academy, help alleviate the critical lack of management training in law enforcement agencies. Other examples to address specific, recently identified needs of state and local law enforcement include the NCAVC and the FBI National Law Institute (NLI). Another way in which the FBI Academy meets the needs of local law enforcement is through constant research in identified law enforcement problem areas. This has resulted in staff members becoming authorities in their respective fields. In this role, advice is disseminated daily on such diverse matters as homicide, crisis management, and the investigation of complicated economic crimes.

In the FBI's FPTP, over 2,000 trained FBI instructors assigned to 59 FBI field offices participate in local police training programs throughout the Nation. This training assistance at the basic level is extensive, and is the backbone of FBI training assistance to local law enforcement. It is at this level of training that the rapport between local police and FBI agents is developed, which then fosters cooperative efforts between agencies in the investigative criminal cases.

Accomplishments and Workload: During 1985, a total of 57,613 student training days were dedicated to the National Academy and other executive development training programs for local law enforcement managers. The National Academy Program, which provides eleven weeks of advanced instruction to career law enforcement professionals, consisted of four sessions in 1985 with 1,000 officers participating in this training. An additional 27 police executives attended the FBI NEI. Demands for additional executive training led in 1981 to the implementation of the LEEDS. This particular executive training program, which is designed for executives from mid-sized agencies, graduated 85 executives in 1985. The NLI was inaugurated, in 1985, to train legal advisors to law enforcement executives; to date

100 attorneys have been afforded this training. With the implementation of these programs, the FBI is currently in a position to offer a comprehensive executive development program for the law enforcement community. During 1985, 78 DEA supervisory personnel received advanced management training at the FBI Academy. As of October 1, 1985, DEA's domestic training effort was moved to the FBI Academy.

In 1985, approximately 19,670 student training days were dedicated to specialized and technical programs, which included 136 specialized schools, working conferences, or symposia, attended by more than 3,354 criminal justice personnel. In addition to the 33 diverse forensic science courses offered to the general law enforcement community in 1985, the following programs were sponsored by the Forensic Science Research and Training Center: International Symposium on the Forensic Comparison of Hair for 172 attendees, and International Symposium on Questioned Documents for 122 attendees. New courses introduced in 1985 included: Specialized Techniques in Firearms Identification for 24 attendees; Police Composite Artists for 24 attendees; Atomic Absorption for Primer Residues for eight attendees; and Chromatographic Methods in Forensic Science for 36 attendees.

Additional specialized courses were offered in the area of Computer-Related Crimes for 163 police officers; Bomb Squad Commanders Seminar for 72 officials; three Hostage Negotiation sessions for 47 police officials, and six Crisis Management/Hostage Negotiation sessions for 62 foreign police officials; and firearms administrators and instructors schools for 41 police officials. Significant efforts in the violent crime area included a Death Investigation Seminar for Coroners and Medical Examiners for 48 officials; a Child Exploitation in Day-care Centers and Satanic Cults Seminar for 20 police officials; a Child Abuse and Family Violence Seminar for 44 police officials and the implementation of advanced courses in death investigation and sexual assault investigations. In addition to these training initiatives, every effort was made in 1985 to reinforce cooperative ties with numerous national law enforcement groups and organizations who have traditionally utilized FBI Academy facilities as a problem solving forum. This year included the Executive Board of the National Organization of Black Law Enforcement Executives; Training and Education Committee of the International Association of Chiefs of Police (IACP); IACP Seminar on Education and Training; National Sheriff's Association (NSA); National Association of State Directors of Law Enforcement Training (NASDLET); the Academy of Criminal Justice Sciences; American Association of Crime Laboratory Directors (ASCLD); the International Conference of Police Chaplains; the International Society of Crime Prevention Practitioners; and three sessions of the American Association of Retired Persons on Citizen Participation in Crime Prevention Issues.

In addition to the specialized and technical training programs offered at the FBI Academy, 52,660 student training days in 1985 were attributed to training programs conducted at state and regional training facilities. This included sophisticated and advanced training for 19,254 law enforcement officials in such areas as forensic science, criminal psychology, labor relations, instructor development, executive development, as well as the training of 891 students in bombing and hazardous device matters.

Training programs continue to make contributions in support of state and local investigative matters in crimes of violence. The demand for Behavioral Science Unit Crime Analysis and Criminal Personality Profiling and general investigative support and consultation again increased during 1985. Assistance was requested in a total of 570 matters as compared to a total of 342 requests in 1984. This increase in demand can be better understood by comparing the above figures with those of six years ago when there were a total of 40 requests. The Behavioral Science Unit has also observed that the degree of involvement in investigative matters has increased in intensity and duration. The scope of assistance rendered has expanded from crime analysis and profile construction to planning investigative strategies and apprehensions, interviewing techniques, preparation of search warrants, prosecutive strategies, and "on-site" major case training and consultation. State and local police cooperation cases submitted included homicide, rape and sexual

assault, child molestation, arson, robbery and burglary, abduction, aggravated assault and violent threats, sexual harassment, and equivocal deaths. Feedback from requesting agencies revealed that the Behavioral Science Unit assisted in the identification, prosecution, and/or conviction of offenders responsible for 65 homicides, 83 rapes and sexual assaults, 40 arsons, 270 child molestations, and the resolution of two equivocal deaths. It is noted that in June of 1984, an interagency transfer of funds occurred for the development of the pilot NCAVC. This center became operational in June 1985, at which time it began to analyze, by computer, unsolved homicides occurring in the United States. In 1986, NCAVC is beginning its first full year of operation. By 1987, NCAVC will be operational to analyze, by computer, all unsolved serial rape, child molestation/abduction, and arson crimes.

Six veteran violent crime investigators from major law enforcement agencies have been awarded one-year fellowships to the NCAVC to train and work in close cooperation with special agent profilers.

During 1985, at the same resource level as 1984, the FBI's FPTP provided 65,888 hours of instruction at 5,629 schools attended by 199,326 local, county, and state criminal justice personnel.

Instructional assistance by the FBI involves several levels of activity. At the recruit level, training is provided in such areas as constitutional law, civil rights, arrest techniques, firearms and defensive tactics, rules of evidence, search and seizure, interviewing, and other skills needed by the recruit-level officer. At the in-service level, more advanced topics are presented depending on the type of group attending the training, such as investigative techniques for detectives or fingerprint classification for identification officers. At the specialized level, programs such as hostage negotiation techniques, criminal psychology, anti-sniper and survival techniques, and bomb technician training are provided. At the supervisory and executive levels, training is provided in areas such as personnel administration, communication, management skills, planning, allocation of personnel, and budgeting.

In addition to providing classroom training, FPTP personnel frequently assist in developing training programs at the request of local agencies which do not have expertise in determining training needs, curriculum development, and finding instructional aids and resources. In many states, legislation has been passed mandating that representatives from the FBI serve on training commissions.

In 1982 the Training Division began offering a four-week basic investigator's course to English-speaking law enforcement officers in the Caribbean area to help them improve their own capabilities. Eight sessions have been concluded at the Caribbean Police School in Puerto Rico. During the eight sessions, 186 mid-management officers were trained as follows: 36 from Puerto Rico, 10 from the U. S. Virgin Islands, 28 from the U. S. Navy and U. S. Army, and 112 from 18 different countries.

An important, but often overlooked, benefit of the FBI's OLET Program, both at the FBI Academy and through our 59 field offices, is the cooperation it generates from local, county, and state law enforcement agencies. This is especially important, in terms of efficiency, economy, and safety, for the numerous agents who work in the FBI's widely dispersed resident agencies. In this area, local law enforcement agencies offer the primary, and frequently only, source of immediate aid and assistance in investigative and apprehension situations.

While addressing the FBI National Academy Associates via taped message during a retraining session held in Tampa, Florida, July 17, 1985, commemorating the fiftieth anniversary of the FBI National Academy, President Ronald Reagan, when referring to the National Academy in particular, stated that "Law enforcers at the Federal, state, and local levels are working together as never before, and much of this can be traced back to the cooperative spirit fostered at the FBI National Academy." He noted that the cooperation is crucial in combating such problems as narcotics, white collar crime, and crimes assisted by high technology. He said, "The National Academy is indispensable in raising the quality of law enforcement while remaining above the politics that sometimes plagues local efforts."

Program Changes: Beginning in 1987, the FBI is to begin charging state and local attendees for the full cost of their meals and lodging while in FBI training at the National Academy. In addition, beginning in 1987, the Bureau will not pay expenses connected with state and local attendees' travel to or from the FBI Academy. A cost avoidance of $4.282 million will be realized as a result of these actions. Costs of instruction, facilities, and other training expenses will continue to be paid by the FBI.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Forensic Services - Non-Federal.....	122	119	$8,032	122	119	$8,359	122	119	$8,359	...	...	...

Long-Range Goal: To support the non-Federal criminal justice system through a program which provides: (a) Specialized forensic science training to crime laboratory personnel, (b) crime-scene training to law enforcement personnel, and (c) cost-free examination of evidence and necessary court testimony for agencies which do not have access to crime laboratories or in complex cases which are beyond the capability of the local laboratory.

Major Objectives:

To fully utilize the Forensic Science Research and Training Center (FSRTC) to train additional state and local crime laboratory personnel to improve the ability of jurisdictional laboratories to keep pace with the rising forensic examination case load.

To share the results of successful forensic science research projects with state and local crime laboratories.

To provide a means for the Nation's crime laboratories to rapidly share ideas and information.

To maintain leadership in the crime laboratory community by hosting the "Annual Symposium on Crime Laboratory Development" and other scientific symposia and through participation in various other scientific meetings and symposia.

To provide professional and expeditious handling of requests for examination of physical evidence and sound, objective, expert testimony in cases submitted by state and local law enforcement agencies which meet the criteria for FBI Laboratory examination.

Base Program Description: The FSRTC uniquely combines forensic science research with forensic science training in a physical plant which has been painstakingly designed and equipped to meet the rigorous requirements of these activities. Federal, state, and local crime laboratory and law enforcement personnel receive training in courses which have been carefully selected and developed after consultations throughout the law enforcement and crime laboratory communities. Many of the courses offered are not available anywhere else in the United States.

The research staff is augmented with visiting scientists from the academic community and other government agencies, and the training staff is augmented, as necessary, with experts from the FBI Laboratory. Training is normally conducted at the FSRTC; however, when there is a lack of travel funds and/or living accommodations at the FBI Academy, when proper training facilities exist, Laboratory instructors conduct specialized forensic schools in the field. Results of successful research projects are shared with the crime laboratory community.

Under this program, forensic science examinations of evidence submitted in connection with criminal investigations and prosecutions with necessary expert court testimony may be performed, free of charge, for all duly constituted law enforcement agencies in the United States. All requests for examinations involving state and local matters are carefully screened. It is the policy of the FBI Laboratory to return requests from state and local laboratories when it can be determined that the contributing laboratory has the capability to perform the examination. State and local law enforcement agencies are encouraged to use jurisdictional laboratories when available. However, some law enforcement agencies still do not have access to jurisdictional laboratories and even when available such laboratories often do not have the sophisticated instrumentation and/or expertise to perform the necessary examination(s).

Accomplishment and Workload: Actual and estimated accomplishment concerning this decision unit are set forth in the following Workload and Performance Summary. These statistics demonstrate that the specialized training to state and local crime laboratory personnel is continuing to have a stabilizing effect on the number of cases submitted to the FBI Laboratory from state and local law enforcement agencies.

			Estimates	
	1984	1985	1986	1987
1. Forensic Science Examinations				
a. Requests for Examinations Handled	6,052	6,288	6,300	6,300
b. Examinations Conducted	388,914	375,935	376,000	376,000
c. Days Spent in Testimony	1,230	1,171	1,200	1,200

Explanation:
Examination statistics are captured through the Laboratory's automated Management Information System. These statistics demonstrate that the forensic science training provided to state and local crime laboratory personnel is having the desired effect in stabilizing the FBI Laboratory's workload. The increases in examinations conducted are occasioned by successful research, primarily in Serology and Microscopic Analysis, which permits more examinations per specimen. Many state and local law enforcement agencies still do not have access to jurisdictional laboratories and, even when available, jurisdictional laboratories do not have the expertise and/or instrumentation to perform all indicated examinations.

2. Forensic Science Training				
a. National Academy Training				
1. Courses Instructed	44	38	44	52
2. Work Hours Devoted	3,960	3,420	4,184*	4,904*
b. Specialized Forensic Schools				
1. Conferences, Seminars, and Schools Held	64	60	58	60
2. Work Hours Devoted	24,960	24,840	22,080	22,000
c. Road Schools				
1. Schools Held	20	24	6	16
2. Work Hours Devoted	4,636	3,840	1,320	3,500

*Changes in the National Academy program for 1986 and 1987 are results of approval of a 3 semester hour course which increases instructional hours from 30 to 44 per National academy session.

During the past year the FBI Laboratory hosted several seminars and symposia which were designed to aid and further professionalize the law enforcement and forensic science communities. These sessions included: The International Symposium on Forensic Hair Comparisons attended by 180 scientists from laboratories throughout the United States, Canada, Germany, Great Britain, Australia, France, Japan and India, and The International Symposium on Questioned Documents, which was attended by 100 guests from industry, government, and university laboratories in the United States, Canada, and Great Britain. Proceedings from both these symposia will be printed by the United States Government Printing Office and will be available for distribution in 1986. The Forensic Science Research and Training Center was also host to four seminars dealing with issues relating to research and training effectiveness. Recommendations made to the FBI as a result of these conferences have resulted in the development and subsequent scheduling of a Driving While Intoxicated (DWI) symposium.

The Thirteenth Annual Symposium on Crime Laboratory Development was held at the FBI Academy and was attended by 150 crime laboratory directors from the United States and Canada.

During 1985 a total of 60 specialized forensic courses were taught in 29 specific areas of forensic science. The number of students attending these courses increased from 1101 in 1984 to 1362 in 1985. Three new specialized courses were added: 1. Police Composite Artist Training; 2. Firearms Identification; and 3. Atomic Absorption for Primer Residues.

The FBI Laboratory publishes the "Crime Laboratory Digest" as a rapid means of communication through which the Nation's crime laboratories can exchange information or ideas. This booklet is published and distributed four times each year.

FBI laboratory assistance was provided to state and local law enforcement agencies in such highly publicized cases as the one involving a bank robbery - murder which occurred in Geronimo, Oklahoma, on December 14, 1984. In May 1985 subjects Robert Grady Johnson, Jay Wesley Neill, and Jeri Bowles were convicted of felony murder and sentenced to death in the brutal stabbing and shooting deaths of three female bank employees and one customer during the bank robbery. Approximately 150 items of evidence were submitted to the Laboratory in connection with this case. Examinations of this evidence involved serology, microscopic analysis, firearms, and elemental, and neutron activation analysis. Human blood identified on a knife recovered from the subjects' car matched that of two of the victims and other serological tests conducted on items from the scene bolstered the prosecution's case. Additionally, microscopic analysis of fiber from the subjects' car linked the car to the clothing of two victims. Elemental analysis of bullet fragments from the victims and scene matched the analysis of a box of bullets recovered at the time of their arrest. Expert testimony rendered by examiners from the Laboratory contributed significantly to the jury's verdict. Another case involved a series of homicides occurring in the Tampa/Hillsborough, Florida, area. The homicides began in May 1984 and involved young females. Early in the investigation microscopic analysis linked four of the homicides by means or red carpet fibers, caucasian hairs, and similarities in the knots which were used to bind the victims. On November 6, 1984, a rape/abduction case was submitted to the Laboratory. While certain similarities were noted between the victim in this case and the other homicides, due to the fact that the victim was released by the suspect, the police believed it unlikely that the same individual was involved; however, they requested that the evidence be checked for red carpet fibers. On November 14, 1984, red carpet fibers which matched fibers from the other homicides were identified. The released victim was able to provide key information to the police. This information included the fact that the suspect was driving a red Dodge Magnum vehicle with a red carpet and that he had withdrawn some cash from an "instant teller" machine at approximately 3:00 a.m. in a certain area of Tampa. Based on this information, it was ascertained that Robert J. Long had withdrawn money from the teller machine on the date indicated. Checks with the Department of Motor Vehicles determined that Long owned a red Dodge Magnum. On November 16, 1984, Robert Long was arrested and charged with rape and abduction. A search was conducted of Long's residence and vehicle. The rug samples matched the fibers from the homicides. Long was interviewed and, after being confronted with the fact that evidence existed which linked him to four homicides as well as the rape/abduction, he admitted his participation and furnished a full statement. Through Laboratory analysis and statements by the suspect, Long has now been linked to nine homicides.

	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fingerprint Identification..	2,573	2,585	$74,175	2,573	2,585	$75,860	2,573	2,585	$75,860	...	...	...

Long-Range Goal: To provide accurate and timely fingerprint identification and related services to Federal, state, and local criminal justice agencies, as well as other governmental agencies and entities, as mandated by Federal statutes, regulations, and executive orders.

Major Objectives:

To provide for fingerprint identification and arrest-record services on a timely basis to all authorized users.

To provide for the posting of wanted and parole/probation notices in the FBI's files at the request of criminal justice agencies, and for timely notification to appropriate agencies when there is arrest activity against the posted records.

To provide latent fingerprint examination and testimony services to Federal, state, and local law enforcement agencies.

To provide fingerprint training to Federal, state, and local law enforcement personnel.

To provide, as a humanitarian service, assistance to Federal, state, and local governmental authorities in the identification of missing persons and unknown deceased persons, including on-site assistance at major disasters.

To comply with applicable statutes, regulations, court decisions, and internal operating policies to insure the completeness and accuracy of arrest records. This includes the processing of court-ordered expungements and purge requests from contributors, as well as urging contributors to submit disposition data.

To automate the Identification Division's work functions so as to achieve greater efficiency and personnel and operating cost savings.

To support the development of the Interstate Identification Index (III), which is the Federal-state cooperative effort to decentralize to the states the responsibility for storing and interstate exchange of their own criminal history records.

Base Program Description: From the initial 800,000 fingerprint cards received in 1924, when the Identification Division was established by an Act of Congress, the FBI has grown to become the world's largest repository of fingerprint cards and criminal history records with file holdings of over 169 million fingerprint cards representing over 58 million individuals. The Identification Division is authorized to receive both criminal and noncriminal fingerprint cards. The criminal fingerprint cards and disposition reports are voluntarily submitted by criminal justice agencies on persons arrested for serious/significant offenses. These are compiled into criminal history records, which can then be disseminated in response to requests from authorized users. The noncriminal fingerprint cards, which are received and retained on file, are those of Federal employees, military personnel, aliens, and persons desiring to have their fingerprints on file for personal identification purposes. During 1985, the Identification Division received for processing each workday, an average of 47,635 pieces of mail, of which 27,651 were fingerprint cards and 19,984 were correspondence and other types of mail, from over 22,000 authorized users. Fingerprint processing is only one service provided the criminal justice community; the Identification Division also: examines and processes latent fingerprints and provides expert testimony if needed; conducts fingerprint training of Federal, state, and local government/law enforcement personnel; posts wanted notices to criminal history records and alerts appropriate agencies when arrest activity occurs; and assists with the identification of amnesia victims, missing persons, unknown deceased persons, and on-site aid at major disasters.

The need for a centralized fingerprint index remains as great today as it was when the Identification Division began. The reliance upon the Identification Division's services by the criminal justice community is evidenced by the enormous workload received each workday. Therefore, the Identification Division must be effective and efficient if it is to fulfill its goal of accurate and timely responses. When workload increases and personnel decreases created substantial work backlogs and delays in response time (from three days in the early 1970's to 27 days in 1981), the management staff sought solutions to the problems.

One solution with immediate results was the suspension of certain non-Federal applicant services in 1982 and the instituting of a User-Fee Program when the services were restored in 1983. The User-Fee Program charges a fee for processing fingerprint cards which is used to pay the full cost of providing the service; it has proven to be very effective. During 1985, the User-Fee Program processed 928,817 fingerprint cards, and fees earned totaled $9,577,969. User-fee fingerprint card receipts increased by 15 percent in 1984 and 23 percent in 1985. It is anticipated that receipts will continue to increase as additional states fully join the program and as additional state statutes requiring national fingerprint checks are enacted. New legislation which will significantly increase the User-Fee Program's workload is the fingerprint check required of all "child care" operators.

The solution to the Identification Division's work processing and staffing problems is automation. In 1967, the FBI embarked on a program of research and development to explore techniques to automatically read and search fingerprint cards. After a study in 1971 determined the feasibility of incorporating such techniques into the Identification Division, the FBI began a three-phased implementation of automation. The initial phase, known as the "Automated Identification Division System - Phase I" or "AIDS-I," was implemented in 1973 and involved the computerization of the criminal history records of first offenders. Over nine million criminal history records have been automated to date, and the file continues to grow at the rate of over three-quarters of a million new records each year.

Simultaneously, automatic fingerprint reading equipment was invented and then used to computerize the fingerprints stored in the Identification Division's criminal master fingerprint file. Over 17 million criminal fingerprint cards are now computerized. "AIDS-II" was implemented in 1979 and involved the initiation of computerized name searching. Currently, over 65 percent of the Identification Division's name searches are being performed by computer. Computerized fingerprint searching was also started on a pilot basis in 1979 and was gradually expanded until now 95 percent of all incoming fingerprint cards are searched automatically.

Work on the third phase of automation began in January 1985, with the award of a contract for the production of a system to be known as "AIDS-III," which will combine all of the automated capabilities developed to date into a fully integrated, high-performance system.

AIDS-III, which is scheduled to become operational late in 1987, will increase productivity and decrease the time required to process the workload. A fully automated Identification Division will be able to better fulfill its goal of providing timely fingerprint identification services and to properly support the development of the National Crime Information Center's Interstate Identification Index (III). The Identification Division's current average work-processing time of about 13 workdays is incompatible with the rapid on-line computer inquiry and response requirements of the III. The under-one-workday processing time achievable in AIDS-III would permit the Identification Division to more efficiently carry out its III responsibilities, which include: acting as the III's national fingerprint index, acting as the "51st state" by being the recordkeeper for Federal offender records, and acting as the surrogate recordkeeper for the states that do not participate in the III. The acquisition of AIDS-III will also allow the merger of the currently separate and duplicative automated name indices in the Identification Division and III into a single index which will serve both the Identification Division and the III.

The Identification Division's automation efforts have already resulted in productivity increases and personnel savings of 200 direct-funded workyears in 1983 and 145 in 1984. Another 100 direct-funded workyear reduction occurred in 1985. With the ongoing transition effort of AIDS-III, personnel process the increasing current workload, perform file conversions so space will be available for the AIDS-III installation; perform dual processing during testing of the new system; train personnel in new work procedures without experiencing increasing work backlogs; and operate the AIDS-III computer facility.

Accomplishments and Workload: The accomplishments of the Fingerprint Identification Program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Fingerprint Cards				
. Criminal Justice and Federal Applicant				
.. Received	5,719,372	6,005,112	6,200,000	6,395,000
.. Processed	5,728,680	5,970,534	6,007,000	6,148,000
. User Fee (Non-Federal Applicant)				
.. Received	744,129	931,007	1,048,000	1,212,000
.. Processed	738,153	928,817	1,038,000	1,201,000
.. Fees Received On	697,814	864,085*	980,000*	1,133,000
.. Revenue Earned	$7,728,933	$9,577,969	$12,497,400	$14,842,000
. Total All Sources				
.. Received	6,463,501	6,936,119	7,255,000	7,607,000
.. Processed	6,466,833	6,899,351	7,045,000	7,349,000
Correspondence (name checks, etc.)				
. Received	1,513,613	1,757,725	1,880,000	1,974,000
. Processed	1,505,225	1,754,889	1,880,000	1,974,000
Expedite and Special Requests Received and Processed	148,307	120,784	130,000	141,000
Disposition Reports				
. Received	2,531,261	2,942,943	3,400,000	3,740,000
. Processed	2,536,057	2,703,774	3,400,000	3,740,000
Expungement and Purge Requests Processed	312,611	315,348	324,000	338,000
Nonserious Offense Fingerprint Cards Purged	174,576	130,238	65,000	33,000
Fugitives Identified Through Posting of Wanted Notices	12,427	17,342	18,000	18,500
Latent Fingerprint Cases Processed	19,209	18,244	19,000	19,500

Item	1984	1985	Estimates 1986	1987	
Suspects Identified by Latent Fingerprint Examinations				3,316	3,060
3,300	3,500				
Fingerprint Schools Conducted	211	198	210	225	
III Requests Received and Processed	237,137	496,815	595,000	625,000	
Communications Mailed	8,965,029	8,941,822	9,331,000	9,703,000	

*All user-fee receipts are not processed because of immediate rejections (failure to comply with established procedures and/or requirements) and returns due to illegible fingerprints.

During 1985, the Identification Division processed approximately 6.9 million fingerprint cards and over 4.7 million pieces of other mail, for an average of 47,635 items of mail processed each workday. This represents an increase of 5,769 items per day from 1984.

In 1985, the Identification Division's User-Fee Program earned $9,577,969 in fees for processing 864,085 revenue-producing fingerprint cards. This represents an increase of 166,271 fingerprint cards and $1,849,036 in fees from 1984. The fees were used to pay for 308 reimbursable workyears and the other related costs of providing the service, which would have otherwise been paid for from appropriated funds.

The contract for AIDS-III was awarded on January 2, 1985, to Science Applications International Corporation, McLean, Virginia. Site and facility preparation has begun with the system expected to be operational in late 1987.

During 1985/86, the Identification Division assisted in the identification of victims of five commercial air disasters, all of which were performed at the crash sites. In May 1985, assistance was provided in the identification of persons killed in Philadelphia, Pennsylvania, as a result of the police raid on the "MOVE" headquarters.

During 1985, the Latent Fingerprint Specialists were required to travel on 122 occasions to conduct crime scene processing for latent fingerprints in support of drug, terrorism, and violent crime investigations. This represents an increase of 130 percent over 1984.

Program Changes: An increase of 147 reimbursable workyears (no funding or positions) is requested for the User-Fee Program. These workyears are needed to process the projected workload increases of user-fee eligible fingerprint cards. The User-Fee Program is authorized only 271 workyears which will be insufficient to handle the estimated 1,133,000 revenue-producing fingerprint cards anticipated. The base level of 271 workyears will be able to process 735,000 revenue-producing fingerprint cards. The 147 reimbursable workyears requested will be able to process the remaining 398,000 fingerprint cards ($5,213,000 in revenue) which otherwise could not be processed.

39-284 O—86—8

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Justice Data and Statistics Services	204	199	$8,000	207	202	$8,501	207	202	$8,501	...	...	...

Long Range Goal: To generate reliable statistics for use in law enforcement administration, operation, and management, and to improve the overall effectiveness of the criminal justice system through effective handling and exchange of documented criminal justice information.

Major Objectives:

National Crime Information Center (NCIC)

To provide an automated data-base system to meet the needs of criminal justice agencies on a continuous basis.

To provide system management and user support services, including technical assistance, publications, operating manuals, training, functional requirements analysis, record quality assurance, and legal and legislative review.

To monitor system operations and identify enhancements that will maximize responsiveness.

To provide a nationwide telecommunications system for the storage and dissemination of documented information concerning wanted and missing persons, stolen property, criminal histories, and laboratory comparison standards.

To coordinate meetings and facilitate informational input from the NCIC Advisory Policy Board and Regional Working Groups to insure continuation of a user-oriented management process.

To identify and evaluate changing system and user requirements.

To successfully coordinate and implement necessary system enhancements to meet the needs of user agencies.

To reevaluate the information processing requirements of the criminal justice community through the year 2000.

Uniform Crime Reporting (UCR)

To provide training, technical consultation, and assistance to the UCR staff and state and local law enforcement officials in developing and maintaining accurate data and improving management strategies compiling UCR crime statistics on a monthly, semiannual, and annual basis.

To review incoming UCR statistical reports and technical inquiries, develop quality control standards, develop uniform terminology, and exchange research ideas.

To collect, record, analyze, publish, and report detailed and comprehensive data as contained in the "Law Enforcement Officers Killed," "Assaults on Federal Officers," and the "Bomb Summary" programs.

To comply with the Congressional mandate of the Anti-Arson Act of 1982, to compile and tabulate information regarding special reports of arson, and develop a special arson statistical program.

To provide statistical crime analysis and research in response to requests from academicians, the legal profession, members of Congress, and law enforcement officials.

To publish nationwide statistics on a semiannual and annual basis.

To provide advisory resources to the Bureau of Social Science Research.

To comply with the interim findings for an enhanced UCR Program as recommended by the Abt Associates study group.

To implement the adopted and recommended enhancements contained in the enhanced UCR Program.

Base Program Description:

NCIC

The NCIC program addresses the problem of the inability of the criminal justice community to function effectively without accurate and timely information. The NCIC provides an interstate teleprocessing system to exchange documented criminal justice information on wanted and missing persons, stolen property, and criminal histories. The FBI, with the advice of the NCIC Advisory Policy Board and Regional Working Groups, manages the NCIC for the benefit of local, state, and Federal law enforcement agencies. The NCIC addresses the criminal justice community's need by providing nationwide availability of information to combat the highly mobile criminal. The availability of this information increases the opportunity to locate wanted persons at large in the Nation, missing persons who may be a danger to themselves or others but who are not criminals, and stolen property which otherwise might never be returned to the rightful owner. In addition, the timely availability of Computerized Criminal History (CCH) information to prosecutors, judges, and correctional officers protects the American public by permitting fully informed decisions in the following matters: law enforcement investigation, booking and criminal processing, presentence investigation concerning flat term and minimum sentencing laws, risk classification for custody and supervision, bond decisions, parole, and probation. The timely availability of information also enhances the ability of the FBI to accomplish its investigative mission. The national security is also protected through NCIC use in the investigation of potential and current Federal employees. State needs for applicant and licensing checks in sensitive areas or those requiring regulation are also aided.

NCIC services must be available to approximately 57,000 user agencies with varying needs. These users are geographically dispersed and operate computer equipment manufactured by various companies with different capabilities. NCIC must meet the changing needs of users, the system must remain reliable and responsive, record data quality must be insured, and sufficient training must be provided to users.

The basic authority for the operation of the NCIC is contained in Title 28, United States Code 534, which authorizes the Attorney General to acquire, collect, classify, and preserve identification, criminal identification, crime, and other records, and exchange these records with and for the official use of authorized officials on the Federal, state, and local levels. The Attorney General has delegated his authority under this Statute to the Director of the FBI. Executive Order 10450 provides for the utilization of these services to meet security requirements for Federal employees. The FBI is authorized by 86 Statute 1115 to exchange identification records with officials of Federally chartered or insured banking institutions and, if authorized by state statute and approved by the Attorney General, with officials of state and local governments for the purposes of licensing and employment. Dissemination of NCIC records is subject to Title 28, Code of Federal Regulations, Part 20. The operation of the NCIC Advisory Policy Board is governed by the Federal Advisory Committee Act, 86 Statute 772.

UCR

The authority for the FBI to administer the UCR program is contained in U.S. Code, Chapter 33, Title 28, Section 5.

The UCR program provides direct administration over the collection and processing of crime data received from contributing agencies to insure an accurate, comprehensive, and nationwide compilation of crime-related statistics for use by all levels of government in formulating productive programs to reduce lawlessness in our society. The UCR program has been maintained by the FBI for more than 55 years due to the need for a national repository and training base for criminal statistics. Should the Federal Government excuse itself from this function, crime statistics from many states would cease to be collected and the capability to analyze nationwide crime data would end. No other Federal agency solicits arrest, clearance, or police employment data based on direct voluntary contributions from over 16,000 law enforcement agencies in the United States. The UCR program is considered an important link between Federal, local, county, and state law enforcement.

Accomplishments and Workload:

NCIC

NCIC provides access to automated criminal history data entered into the Interstate Identification Index (III). During 1983 and 1984, an enhanced capability to obtain individual criminal histories was provided to the users of NCIC. This capability was made possible with an expanded test of the III. The NCIC, FBI Identification Division, and 17 state agencies interconnected their criminal recordkeeping systems to make available the records of more than eight million offenders. These 17 states have become active participants in entering and updating their state records in the file.

Prior to the expansion of the III, only about two million records could be maintained in the NCIC system. The number of available records will continue to increase by more than 15,000 per week as individuals are arrested for the first time.

On June 30, 1983, an Unidentified Persons File was implemented pursuant to provisions of the Missing Persons Act of 1982. Considerable effort has been expended to train NCIC users in procedures for entering information into this new file. In addition, cross matching will be provided between this file and the Missing Persons File based upon common identifiers. The NCIC staff has stressed the importance of promptly entering information concerning missing persons into NCIC. The effectiveness of this training is demonstrated by the consistent increases in missing persons entries.

The total number of active NCIC records increased from 17,356,567 on January 1, 1985, to 18,259,390 as of January 1, 1986. There were significant increases in usage of all files with total transactions increasing from 150,203,847 to 164,048,934 during 1985.

As of January 1, 1986, the total number of records in file was 18,259,390. As of the same date, the following number of records were stored at the national level in NCIC: Interstate Identification Index, 9,825,970; stolen securities, 2,420,647; stolen guns, 2,097,191; stolen articles, 1,595,125; stolen vehicles, 1,319,425; stolen plates, 687,872; wanted persons, 236,814; missing persons, 47,093; stolen boats, 27,751; unidentified persons, 1,187; Canadian warrants, 243; and U.S. Secret Service Protectives, 72.

In addition to providing criminal records, the III features improved record quality and save resources for both participating state agencies and the FBI by eliminating duplication of record keeping at the state and national levels.

UCR

Numerous meetings with representatives of the Bureau of Justice Statistics and Abt Associates were held in regard to the development of the "Blueprint for the Future of the UCR Program." The International Association of Chiefs of Police Conference in Salt Lake City was attended by the FBI; papers and workshops were held to further the UCR effort. Briefings to the FBI Director were presented relative to crime statistics and media analysis. The Section Chief along with the Assistant Director, Office of Congressional and Public Affairs, appeared before a subcommittee of Congress regarding proposed legislation which would effect the resources of UCR Program. The UCR Section hosted a conference at Quantico, Virginia, April 8-12, 1985, in attendance were representatives from state programs, joint committees on UCR, Abt Associates staff, and Bureau of Justice Statistics personnel. The primary result of the conference was the enthusiastic support proffered by the attendees regarding recommendations of the 3-year study of the UCR Program. Part II of the UCR study, which detailed the specific recommendations evolving from the research, was disseminated to all interested parties for purposes of public comment. The Blueprint for the future of the UCR Program has now been approved by the Director of the FBI. The 1984 edition of "Crime in the United States" was released on July 28, 1985; one of the earliest release dates for the publication since 1965.

The Crime Statistics Processing Unit met its goal of processing crime data received from approximately 16,000 contributing law enforcement agencies. Population estimates for contributions were compiled and distributed. The preliminary UCR report and related press release were disseminated on April 21, 1985. Manuscripts for the publication, "Crime in the United States," were compiled and delivered to the Government Printing Office by this Unit. The semiannual Uniform Crime Report for 1985 was compiled and released on October 13, 1985.

The Research and Analysis staff met with public and private agency professional staff and developed mutual research activities, attended a conference of FBI Document Examiners, and presented an analytical model. Findings of a study of age specific arrest rates were sent to all state UCR Programs, state statistical analysis centers and selected academicians. Statistical models were developed for cities with populations of 100,000 inhabitants or more in order to formulate individual city jurisdictional profiles. A special compilation of data is being developed to streamline and enhance the editing and review of incoming UCR data by converting from a manual process to a computerized system. A model was devised to explain the decline in crime statistics and various crime theories. Work is continuing on the Crime Indicators System VI which will quantify the relationship between serious crime and its causes.

The Training, Liaison, and Program Development Unit conducted training seminars in classifying and scoring UCR crimes and assisted states with developing manual and automated reporting systems throughout approximately two-thirds of the Nation. A final version of the UCR Task Force on Standards for data acceptability questionnaire was administered to employees in the UCR Section. Results of the survey have concrete implications for organizational improvement. The 1987 budget report for the UCR Section was completed by this Unit. The staff planned and directed the eighth national UCR Conference at the FBI Academy, and assisted in handling the logistical activities. A correspondence training program was developed for and is being tested within non-Program states.

The Special Programs Unit received and processed voluminous reports pertaining to line-of-duty deaths of law enforcements officers, bombing incidents, parental kidnapings, and Assaults on Federal Officers. Seminannual press releases on law enforcement officers killed and bombing incidents were prepared for UCR contributors and the public. A two-day conference was held for fire service personnel to assist in implementing the Special Arson Program. The final parental kidnaping report was prepared and submitted to the U.S. Department of Justice. The arson incident report form for the Special Arson Program was finalized and submitted to the Office of Management and Budget for approval. A Federal Arson Task Force meeting was attended where plans were made for submitting the annual report to Congress on national Anti-Arson strategy. The publications, "Law Enforcement Officers Killed and Assaulted," "Bomb Summary," and press releases were some of the final products completed by this unit.

NCIC

Workload statistics for the NCIC are presented in the following table:

			Estimates	
	1984	1985	1986	1987
1. NCIC Transactions	150,203,847	164,048,934	172,000,000	180,000,000
2. Vehicles				
A. Vehicles Entered In File	1,017,128	1,059,736	1,080,000	1,100,000
B. Vehicles Recovered	200,000	208,911	5,000	222,000
C. Average Value of Vehicles($)	4,200	4,418	4,650	4,900
D. Total Value of Vehicles ($)	840,000,000	922,968,798	999,750,000	1,087,800,000
3. Number of States Participating in III	14	17	21	25
4. Criminal History Records Disseminated	1,908,764	2,765,486	3,000,000	3,200,000
5. Training Sessions Conducted for Non-FBI Personnel	28	36	39	42

UCR

Workload of the UCR is presented in the following table:

				Estimates	
		1984	1985	1986	1987
1.	Monthly UCR Statistical Reports Received and Processed				
	A. Actual	1,480,416	1,480,416	...	...
	B. Demand	1,480,416	1,480,416	1,630,416	1,630,416
	C. Planned	1,480,416	1,480,416	1,630,416	1,630,416
	D. Percentage Completed	100	100	100	100
2.	Requests for Training, Speeches, Meetings, and Police schools				
	A. Actual	150	150	...	...
	B. Demand	150	150	150	150
	C. Planned	150	150	150	150
	D. Percentage Completed	100	100	100	100
3.	Correspondence				
	A. Actual	55,000	55,150	...	...
	B. Demand	55,000	55,150	55,150	55,150
	C. Planned	55,000	55,150	55,150	55,150
	D. Percentage Completed	100	100	100	100
4.	Newsletters/Bulletins				
	A. Actual	150,000	150,000	...	...
	B. Demand	150,000	150,000	150,000	150,000
	C. Planned	150,000	150,000	150,000	150,000
	D. Percentage Completed	100	100	100	100
5.	Publications Produced				
	A. Actual	20	20	...	...
	B. Demand	20	20	23	23
	C. Planned	20	20	23	23
	D. Percentage Completed	100	100	100	100

		Estimates			
		1984	1985	1986	1987
6.	Update of UCR Handbook for Contributors				
	A. Actual	50	50	...	...
	B. Demand	50	50	50	50
	C. Planned	50	50	50	50
	D. Percentage Completed	100	100	100	100
7.	Law Enforcement and Arson-Related Conferences, Meetings, Regional UCR Conferences				
	A. Actual	40	35	...	...
	B. Demand	40	35	40	40
	C. Planned	40	35	40	40
	D. Percentage Completed	100	100	100	100
8.	Publications Distributed Within Deadline to Over 15,000 Law Enforcement Agencies				
	A. Actual	62,500	62,500	...	...
	B. Demand	62,500	62,500	62,500	62,500
	C. Planned	62,500	62,500	62,500	62,500
	D. Percentage Completed	100	100	100	100
9.	UCR Processing of Special Requests for Unpublished Data				
	A. Actual	10,500	10,500	...	...
	B. Demand	10,500	10,500	12,000	12,000
	C. Planned	10,500	10,500	12,000	12,000
	D. Percentage Completed	100	100	100	100

Activity: Program Direction

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Executive Direction and Control....	521	502	$23,655	522	503	$24,046	522	503	$24,046	...	...	...
Administrative Services.....	737	720	23,272	715	698	23,005	715	698	23,005	...	...	...
Total.....	1,258	1,222	46,927	1,237	1,201	47,051	1,237	1,201	47,051	...	...	...

This activity includes the management, administrative support, legal, planning, evaluation, inspection, and financial functions of the FBI.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction & Control...	521	502	$23,655	522	503	$24,046	522	503	$24,046	...	...	...

Long-Range Goal: To provide effective leadership management, direction, and control for the Federal Bureau of Investigation.

Major Objectives:

To provide leadership for the FBI in support of the organization's long-range goal through the promotion of high morale and efficient commitment of human and material resources.

To prepare all required budget submissions and financial data reports related to budget execution in a timely manner.

To provide: legal advice, training, and guidance to all FBI personnel in administrative, investigative, and personnel matters; conduct and administer all FBI legal training and prepare training monographs and legal articles for publication; rule on petitions for remission or mitigation of civil administrative forfeiture; provide legal advice to the field offices and FBI Headquarters on legal problems associated with civil and criminal forfeiture; and to provide legal counsel and defense of civil litigation and administrative claims involving the FBI, its personnel (past and present), and FBI records.

Review and defend documents in discovery and produce documents in civil suits, exercising that care necessary to ensure that all privileges available to the Government are properly asserted.

To effectively advocate the FBI's positions with respect to all legislative proposals with the Department of Justice (DOJ), Office of Management and Budget (OMB), and the Congress; to effectively represent the interest of the FBI with respect to responses to Congressional inquiries and oversight responsibilities; to competently advise the Director and other FBI officials on matters relating to the Congress; to competently represent FBI interests with national legal organizations.

To obtain public cooperation and support in FBI investigative areas and to increase the public's awareness of FBI activities and accomplishments through news releases: feature articles, interviews, speeches, publications, radio and television appearances and announcements, correspondence, and tours.

To carry out audits, inspections, and evaluations of FBI programs to ensure their economic value and effective compliance with objectives, applicable laws, and regulations; to conduct productivity studies on commercial activities with the goal of achieving the highest possible productivity and economy of operation; and to ensure that FBI personnel conduct the organization's activities in a proper and professional manner.

Base Program Description: The Director, with the advice and counsel of the FBI's Executive Assistant Directors and members of the Executive Conference, sets policy and provides leadership and direction to the organization. The Executive Assistant Directors with the assistance of their respective staffs, transmit policy statements, guidelines, and other managerial information to the Assistant Directors, who direct the daily operations of the Headquarters Divisions.

The budget program provides: overall direction and control in all phases of budget and accounting functions; coordinates the automation effort for a comprehensive financial accounting system; conducts analytical studies for management; collects and reports data concerning investigative workload and statistical accomplishments of the 59 field offices; monitors undercover funds; and ensures that approved funds for undercover and other operational requirements are provided.

The objectives of the General Legal and Civil Litigation-Civil Discovery Programs are carried out by Special Agent attorneys, with assistance from Paralegal Specialists, who provide timely and accurate legal advice to FBI management and personnel, and defend suits and resolve claims resulting from investigative and administrative actions in the field and at FBI Headquarters. FBI personnel are kept informed of their legal responsibilities and changes in the law through instruction, timely dissemination of information of new judicial decisions, publication of law digest articles, a civil forfeiture manual, and legal advice in individual administrative matters and investigative operations both in the planning and execution stages. Close daily liaison is maintained with the Department of Justice regarding the defense of civil actions, resolution of administrative claims, disclosure of records under the Freedom of Information and Privacy Acts and the Right to Financial Privacy Act, and the representation of FBI concerns and legislative needs. Special Agent attorneys also represent the agency in Equal Employment Opportunity (EEO) and Merit Systems Protection Board (MSPB) hearings.

The Congressional Affairs Office (CAO) seeks to effectively advocate FBI positions with respect to all legislative proposals before the Congress and to competently advise the Director and other FBI officials on matters relating to the Congress.

This liaison relationship with the Congress serves as the focal point of all FBI contact with the Legislative Branch. In 1985, the CAO coordinated and assisted the Director and other FBI officials in 36 appearances as witnesses before the Congress. The CAO also coordinated the FBI's response to 72 requests for information from congressional committees and it monitored the progress of over 1,000 separate pieces of pending legislation.

In addition to its legislative priorities, the CAO also represents the FBI's interests by maintaining liaison with nationally recognized professional legal organizations.

The Public Affairs Program is responsible for providing the American Public with a factual accounting of the FBI's programs, operations, and services on a continuing and timely basis and for sharpening the public's perception of FBI goals. Tours of the J. Edgar Hoover FBI Building, news media requests, correspondence with the public, and other related matters are coordinated by the Public Affairs program. Public cooperation and support are essential to the FBI's effectiveness as an investigative and intelligence bureau. Without this cooperation and support, the FBI's success would be greatly reduced in the high-priority areas of Foreign Counterintelligence, White-Collar Crime, Terrorism, and Organized Crime.

Evaluation of FBI activities is carried out by the Program Evaluations and Audits and Inspections programs. This program ensures that policies, procedures, and operations of the FBI meet present and anticipated requirements and that they are efficiently, effectively, and economically performed. The Inspections Program further evaluates FBI performance through inspections (on a 24-month basis) of field offices, Headquarters Divisions, and Legal Attaches. The Director and executive management officials are advised of inspection results as well as instructions and recommendations in reference to compliance, efficiency, effectiveness, and economy of the administrative, financial, and investigative operations of the organization.

Accomplishments and Workload: Accomplishments and workload of the Executive Direction and Control Program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Testimony, constituent requests, and Congressional/Investigative liaison	4,573	4,412	4,573	4,573
Radio scripts, press summaries, major press releases, and statements	39,092	39,105	39,105	39,105
Law Enforcement Bulletin (LEB) (Readership)	550,000	550,000	550,000	550,000
Speeches and Remarks by the Director	44	49	49	49
Assistance to the Media in major feature articles	313	283	313	313
FBI publications disseminated	736,210	965,690	965,690	965,690
Tourists	495,116	528,222	528,222	528,222
Title III Applications	214	238	264	293
Undercover Proposals	109	111	122	134
FCI Consensual Monitoring Requests Handled	111	168	180	193
FISA Applications	423	454	486	520
Priority Service Projects	3,415	3,074	2,767	2,491
Priority Research Projects	525	498	469	437
Civil Actions, Appeals, and Claims	1,059	935	1,185	1,200
Total No. of Pages Reviewed for Civil Discovery	1,340,296	847,883	880,000	880,000

	1984	1985	Estimates 1986	1987
Inspections Completed	35	30	37	37
EEO Complaints Completed	14	13	18	18
Administrative Inquiries Completed	8	12	5	5
Investigations Closed	330	367	360	360
IOB Matters Closed	11	6	12	12
Field Office Audits	37	16	36	36
FBIHQ Funds/Systems Audits	10	7	7	7
Undercover Operations Audits	1	5	15	15
GAO/DOJ Liaison	30	34	32	30
ADP Audits	0	1	2	2
Productivity Studies	0	0	6	12
Evaluations Completed	7	6	5	5
Studies Completed	5	7	8	8

During 1985, the Budget Program prepared presubmission analyses for all FBI programs, along with briefing books; coordinated budget formulation and presentation with Drug Enforcement Administration (DEA) representatives, in addition to preparing all regularly required FBI budget submissions and briefing top management on their content; reviewed and analyzed the Justice Management Division (JMD), DOJ, budget request and presented a summary of recommendations to the Deputy Attorney General; prepared all financial and execution reports required internally and externally; implemented the Management Science America, Inc. (MSA), computer software systems for Budgetary Control, General Ledger, and Accounts Payable functions; provided on-line access and update capabilities regarding financial data; coordinated the preparation of the Accounting Systems Review and Vulnerability Assessments for DOJ and OMB as required by the Federal Managers' Financial Integrity Act of 1982; processed in excess of 2,000 requests for advance funding for Undercover and Other Operational Expenditures, which amounted to over $74.0 million; and began design of new programmatic reporting formats for internal and external Resource Management System reports.

The Congressional Affairs Office (CAO) successfully advocated the FBI's position in areas such as the maintenance of early retirement benefits for Federal law enforcement officers hired after January 1, 1984; securing of the Department of Justice approval for FBI legislative language allowing the FBI to provide language and orientation training for personnel assigned to San Juan; supporting changes in the Tax Code to insure that pending bills relating to access of identification records and the compilation of Hate Crime Statistics lessening their impact on FBI operations.

The Public Affairs program continued to advise the Director, FBI officials, field offices, and Legal Attaches of major activities and events concerning the FBI through various special new packages and summaries. Other continuing activities included the research and preparation of speeches for the Director and other FBI officials, and the coordination of major media interviews of FBI executives, focusing on the areas of Foreign Counterintelligence (FCI), Organized Crime, and Terrorism.

The Public Affairs program was also responsible for the coordination of courtyard concerts; preparation of biographical sketches and press releases relating to executive appointments, and retirements; writing and editing ABC radio scripts; publishing the Law Enforcement Bulletin; and preparing outgoing correspondence to members of Congress, other Government officials, FBI field offices, and to the general public.

In 1985 the FBI Historian completed a booklet entitled Conducting Research in FBI Records. This booklet was distributed to the public.

A new video presentation entitled "How Child Snatchers Work" was produced, and is now shown on the FBI Tour and is made available through the FBI field offices.

The General Legal Program through the Legal Research Unit (LRU) provided extensive research and guidance regarding establishment of a program for detecting drug usage by persons undergoing polygraph examinations which formed the basis for FBI policy in this area. Extensive legal assistance was also provided in several major espionage cases, including assistance in drafting warrants, obtaining court authorized electronic surveillance, etc. In addition, LRU conducted a review of 692 applications for court authorized electronic surveillance, produced responses in 498 legal research projects, and gave legal assistance in 3,074 other matters.

Also in the General Legal Program, the Legal Forfeiture Unit (LFU) conducted a series of civil forfeiture training seminars which were attended by FBI personnel as well as personnel from the Department of Justice, U.S. Marshal's Service, DEA, U.S. Customs Service, and various United States Attorney's Offices. LFU also produced an extensive forfeiture manual for use by all FBI personnel involved in forfeiture which clearly and concisely guides the reader through the entire process, including the basis for each step. LFU also handled a total of 407 declarations of forfeiture and petitions for remission/mitigation.

The Legal Instruction Unit (LIU), also in the General Legal Program, published twelve articles on various legal topics and produced two extensive monographs relating to affidavits and complaints, and entrapment. In addition, LIU provided 3,500 hours of instruction and conducted 2,400 hours of research in preparation for instruction, writing of legal articles and monographs, and handling other legal research projects.

The Civil Litigation - Civil Discovery Program is composed of three litigation units and two discovery units. Of the three litigation units, the two dedicated to civil litigation resolved 172 civil actions resulting in the dismissal of hundreds of individual employee defendants and extinguishing millions of dollars in claimed damages. In addition, 372 administrative claims were handled. Included within these civil actions were such notable cases as Church of Scientology v. Linberg, et al., Founding Church of Scientology v. Kelley, et al., Kenyatta v. Moore, et al., and Waller v. Butkvich, all massive civil actions involving numerous defendants and thousands of documents. The Information and Privacy Acts Litigation Unit resolved 123 actions brought pursuant to the Freedom of Information or Privacy Acts, or the Right to Financial Privacy Act. This unit also handled 13 Merit Systems Protection Board (MSPB) or Equal Employment Opportunities (EEO) actions. Worthy of specific note was the Republic of New Afrika v. FBI case where 50,000 pages of records were in dispute. Finally, the Civil Discovery Units handled document production in such massive cases as National Lawyers Guild v. Attorney General, Frank Wilkinson v. FBI, Waller v. Butkovich, the Scientology cases, etc. In total, there were 62 requests for processing of documents and 847,883 pages of records were reviewed.

During 1985 the Internal Inspections Program completed inspections of two Legal Attaches, five Headquarters divisions and 23 field offices. During this period, the program issued 1,762 instructions and recommendations. Of that total, 391 were instructions relating to compliance deficiencies. The remaining 1,371 instructions and recommendations related to the effectiveness, efficiency and economy of the administrative and/or investigative operations of the inspected entity. A total of 19 EEO complaint investigations were initiated, 13 of which were completed during the period. Twelve administrative inquiries were also handled during the period. In furtherance of the FBI's Career Development Program, the Office of Inspections (OI) trained 39 future executives. All program responsibilities mandated for OI were discharged on a timely basis. In 1985, Office of Professional Responsibility (OPR) supervised 479 cases, of which 92 were personally investigated by OPR. In addition, 9 IOB matters were handled by OPR. The unit continued to perform its mandated responsibilities on a timely basis. Liaison with OPR/DOJ is outstanding and internal and external administrative guidelines are being adhered to with reference to Intelligence Oversight Board (IOB) matters.

During 1985, the Program Evaluations and Audits program initiated six studies such as the relocation of Pocatello RA, a review of Transfer Matters, and a review of Police Corruption. Four program evaluations were initiated, including reviews of the Fugitive and White-Collar Crime Programs. Seven studies and six evaluations were completed and reported. These included the Regional Computer Support Centers Study, the Urine Testing of FBI Employees for Drugs Study, the Advanced Professional Training Evaluation, and the Special Operations Groups Evaluation. The program conducted financial and compliance audits at 16 FBI field offices. Seven audits of FBIHQ funds/systems were completed, such as the Representation Fund, Imprest Fund, Fourth Quarter Procurements, and Cash Management System. Five Congressional Undercover Operations audits were completed and reported. Four productivity studies were initiated to comply with OMB Circular A-76. Also, 34 GAO/DOJ liaison matters were handled during this period.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	737	720	$23,272	715	698	$23,005	715	698	$23,005	—	—	—

Long-Range Goal: To provide a complete range of administrative services to maintain the FBI as a functional entity.

Major Objectives:

To meet all mandated requirements for pay administration, performance appraisal and merit pay, and position management for approximately 22,000 FBI employees.

To increase the FBI's ability to use automated personnel data for decision-making via the Resource Management System and the Personnel Information Center.

To recruit, process, and hire qualified minority and female special agents and support personnel.

To provide safety, health, and employee assistance programs.

To provide an effective equal employment opportunity program.

To provide printing, supply, warehousing, and labor services.

To manage all space operations of the FBI, to include acquisition, management, and release of space.

To provide custodial and maintenance service for FBI Headquarters space in an effective and efficient manner.

To provide effective procurement and supply support for all FBI activities.

To process all property seized for forfeiture purposes in an effective manner.

To continue the use of excess material as a cost-saving technique.

To provide: accurate and timely preparation of the biweekly payroll, prompt distribution of payroll checks, accurate and expeditious processing of invoices and vouchers, and timely dissemination of accurate cost and accounting data.

Base Program Description: The Administrative Services program provides, on a nationwide basis, all administrative services which are vital to the continued efficient operation of the FBI as an entity. These functions are performed under a Personnel Services program, a General Services Support program, and a Systems Support program.

The Personnel Services program is responsible for: the administration, coordination, and policy formulation of pay administration; retirement; leave, safety, disciplinary action, employee performance, recognition, and indoctrination, applicant recruitment, processing of employee transfer matters, and compiling and reporting personnel statistical data. This program is also responsible for the administration of the Performance Appraisal and Merit Pay Systems and the coordination and implementation of the Equal Employment Opportunity and Affirmative Action programs.

The General Services Support program has the responsibility for: the procurement of all FBI equipment, goods, services, and supplies; the management of FBI equipment inventory and stock; processing property seized for forfeiture purposes; providing custodial and maintenance services for FBI Headquarters space; and acquiring and providing space, security, printing, supply, and warehousing services to all FBI offices.

The Systems Support program is responsible for: biweekly payroll preparation and distribution; processing of commercial vendor invoices and personnel travel and relocation vouchers; compiling certain cost and accounting data; and coordinating the purchase of transferred employees' residences with third party relocation management firms.

The functions of the decision unit are required for the basic operation of the FBI and are mandated by law, thereby minimizing any discretionary action on the part of the program managers.

Accomplishments and Workload: Accomplishments of the Administrative Services program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Pay Administration Actions processed	56,677	61,385	65,065	68,966
National Applicant Recruiter Long-Range Research Projects	1	3	10	25
Performance Ratings Matters processed	44,012	50,354	56,352	54,000
Position Classification Actions	3,121	2,147	2,450	2,597
Household goods shipments processed	1,527	1,572	1,619	2,858
Purchase orders issued	744	770	790	830
Forfeiture Notifications issued	2,410	4,090	5,600	5,600
Supplies/Service Requisitions processed	19,885	24,000	28,000	32,000
Requests for Space Modification processed	1,050	950	975	975
Salary and Expense checks distributed	367,408	410,674	410,674	410,674
Payroll actions processed	704,590	700,923	700,923	700,923
Invoices/vouchers processed	295,462	331,975	346,000	376,000
Background Investigations for GSA, Maintenance, and Contract Employees conducted	588	504	635	635
Visitors Escorted	38,371	39,498	39,000	39,250

During 1985, within the Personnel Services program, the orientation of 1,156 new support employees and 594 special agents was completed; 2,010 position classification actions were reviewed and completed; approximately 39,000 pay/placement related actions were handled; 629 employees were trained in typing/shorthand and administrative procedures; and more than 2,500 employees were administered clerical, mechanical, and language aptitude tests.

A Resource Management System Personnel Task Force was designated to begin the redesign of the Personnel Information Network and a fieldwide survey was conducted to assess the field Support Personnel needs for 1985.

Research has been conducted regarding recruiting techniques and resources and these data have been provided to all Applicant Coordinators on a regular basis. Additionally, critically low applicant pools of linguists, engineers, computer specialists, minorities, and females have been enhanced.

During 1985, the General Services Support Program provided program management and project approval for approximately 5.6 million square feet of field office space holdings which included over 200 requests for acquisition, release, or relocation of space. The program directly assisted the Technical Services Division in the review and development of space holdings to accommodate the Field Office Information Management System (FOIMS).

In addition, the General Services Support Program acquired, rehabilitated, and reutilized approximately $5 million of other agencies' excess property which resulted in a significant no-cost enhancement to the FBI's equipment base.

During 1985, the Systems Support Program processed 700,923 payroll actions which involved on a biweekly basis the processing of time and attendance cards for all employees, adjustments to pay and leave, salary changes, addition of new employees, and deletion of separated employees.

In addition, assistance was provided to 1,008 transferred employees which resulted in authorizing 508 homes to be purchased by a third party relocation company.

Federal Bureau of Investigation

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal, Security, and other Investigations							
	Other Field Programs		Organized Crime		OCDE		White-Collar Crime	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS/GM-14	20	$1,033	...	...	...	...	...	...
GS/GM-13	130	5,522	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...
GS-11	...	...	...	...	...	...	...	...
GS-9	29	743	...	...	...	...	...	...
GS-7	284	5,705	108	$2,332	40	$847	117	$2,516
GS-5	...	...	...	...	...	...	...	...
Total positions and annual rates	463	13,003	108	2,332	40	847	117	2,516
Lapse (-)	-98	-2,570	-18	-389	-6	-127	-19	-409
Total workyears and personnel compensation	365	10,433	90	1,943	34	720	98	2,107
Other personnel compensation	...	678	...	...	...	...	...	...
Personnel benefits	...	1,855	...	363	...	135	...	394
Travel and transportation of persons	...	139	...	...	...	...	...	...
Transportation of things	...	251	...	...	...	...	...	...
GSA Rent	...	5,718	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	150	...	...	...	...	...	...
Printing and reproduction	...	17	...	...	...	...	...	...
Other services	...	18,317	...	...	...	...	...	...
Supplies and materials	...	49	...	...	...	...	...	...
Equipment	...	8,581	...	...	...	...	...	...
Land and Structures	...	...	...	...	...	...	...	...
Total workyears and obligations, 1987	365	46,188	90	2,306	34	855	98	2,501

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Investigative Support						State & Local Assistance			
	Training		ADP/T		TPS&E		GLET		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/GM-14	...	...	...	...	...	...	...	...	20	$1,033
GS/GM-13	...	...	2	$75	...	...	...	...	132	5,597
GS-12	...	...	1	32	...	...	...	...	1	32
GS-11	...	...	1	26	4	$135	...	...	5	161
GS-9	...	...	4	87	...	...	...	...	33	830
GS-7	...	...	36	686	...	...	...	...	585	12,086
GS-5	...	...	...	...	...	...	...	...	...	...
Total positions and annual rates			44	906	4	135	...	...	776	19,739
Lapse (-)	...	...	-3	-53	...	...	...	...	-144	-3,548
Total workyears and personnel compensation	...	...	41	853	4	135	...	...	632	16,191
Other personnel compensation	...	...	...	...	...	...	...	...	...	678
Personnel benefits	...	...	...	171	...	16	...	...	...	2,934
Travel and transportation of persons	...	...	...	...	...	...	...	-4,282	...	-4,143
Transportation of things	...	...	...	...	...	...	...	...	...	251
GSA Rent	...	...	...	75	...	10	...	...	...	5,803
Communications, utilities, and miscellaneous charges	...	...	...	...	...	3,779	...	...	...	3,929
Printing and reproduction	...	...	...	2	...	...	...	...	...	19
Other services	...	$-250	...	...	...	...	...	...	...	18,067
Supplies and materials	...	...	...	10	...	...	...	...	...	59
Equipment	...	...	...	12,000	...	...	...	...	...	20,581
Land and Structures	...	...	...	...	...	21,024	...	...	...	21,024
Total workyears and obligations, 1987	...	-250	41	13,111	4	24,964	...	-4,282	632	85,393

Federal Bureau of Investigation

Salaries and expenses

Status of Congressionally Requested
Studies, Reports, and Evaluations

The Conference (Appropriations) Committee requires that by June 1, 1986, the Director of the FBI shall submit to the appropriate committees of the Congress a report on the FBI's capabilities and efforts to counter the electronic interception of American telecommunications by foreign agents.

° A report on the FBI's capabilities and efforts to counter the electronic interception of American telecommunications by foreign agents will submitted by June 1, 1986.

The House Judiciary Committee requires that the FBI/DEA shall conduct a detailed financial audit of each undercover investigative operation which is closed in FY 1986. The FBI shall submit the results of such audit in writing to the Attorney General, and not later than one hundred eighty days after such undercover operation is closed, submit a report to the Congress concerning such audit.

° These are recurring reports that will be submitted as required.

The House Judiciary Committee requires that the FBI and DEA shall each also submit a report annually to the Congress specifying as to their respective undercover investigative operations. Including:

- the number, by programs, of undercover investigative operations pending as of the end of the one-year period for which such a report is submitted, and

- the number, by programs, of undercover operations commenced in the one-year period preceding the period for which such report is submitted, and

- the number, by programs, of undercover investigative operations closed in the one-year period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained. With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on Federal Bureau of Investigation undercover operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to the results, any civil claims and identification of such sensitive circumstances involved that arose at any time during the course of such undercover operation.

° This annual report will be submitted as required.

Federal Bureau of Investigation

Salaries and expenses

Priority Rankings

Base Program		Program Increase	
Program	Ranking	Program	Ranking
Executive Direction and Control	1	Other Field Programs	1
Administrative Services	2	Organized Crime	2
Other Field Programs	3	Organized Crime Drug Enforcement	3
Organized Crime	4	Technical Field Support and Equipment	4
Organized Crime Drug Enforcement	5	Automated Data Processing and Telecommunications	5
White-Collar Crime	6	White-Collar Crime	6
Records Management	7		
Forensic Services - Federal	8		
Fingerprint Identification	9		
Technical Field Support and Equipment	10		
Training	11		
Automated Data Processing and Telecommunications	12		
Legal Attaches	13		
Forensic Services - Non-Federal	14		
General Law Enforcement Training	15		
Criminal Justice Data and Statistics Services	16		

Federal Bureau of Investigation

Salaries and Expenses

Detail of Permanent Positions by Category

Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987		
			Adjustments to Base	Program Increases	Total
Criminal Investigation	9,110	9,356	...	150	9,506
Fingerprint Identification	787	787	...	...	787
General Admin. Clerical and Offices Services	8,410	8,580	(38)	593	9,135
Other	2,730	2,969	...	33	3,002
Total	21,037	21,692	(38)	776	22,430
Washington	7,536	7,645	(38)	47	7,654
U.S. Field	13,441	13,984	...	729	14,713
Foreign Field	60	63	...	...	63
Total	21,037	21,692	(38)	776	22,430

Federal Bureau of Investigation
Salaries and expenses
Summary of Adjustments to Base
(Dollars in thousands)

	Permanent Positions	Work-Years	Amount
1986 as enacted	21,692	20,966	$1,209,000
Adjustment to base:			
Savings resulting from management initiatives	-38	-38	-948
Uncontrollable increases:			
Annualization of 1986 add-on	...	141	4,001
Annualization of additional positions approved for 1986	...	102	4,395
Within-grade increases	...	...	6,601
Health benefits costs	...	...	500
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	999
GSA Rent	...	...	7,985
GSA recurring reimbursable services	...	...	360
Postal Service increase	...	...	518
GPO printing costs	...	...	82
General pricing level adjustment	...	...	15,532
Cost escalation - replacement automobiles	...	...	1,000
Total uncontrollable increases	...	243	41,973
Decreases:			
Nonrecurring costs - Confidential expenditures	...	...	-12,090
Nonrecurring costs - RMS capital investment	...	...	-4,184
Nonrecurring costs - IIS capital investment	...	...	-2,040
Nonrecurring costs - CACN capital investment	...	...	-927
Nonrecurring costs - IRCS capital investment	...	...	-2,825
Nonrecurring costs - OCIS capital investment	...	...	-960
Nonrecurring costs - Aircraft and avionics equipment	...	...	-1,000
Nonrecurring costs - AUTODIN capital investment	...	...	-2,329
Nonrecurring costs - Voice Privacy capital investment	...	...	-11,795
Nonrecurring costs - Telephone switch	...	...	-2,000
Nonrecurring costs - Dormitory/classroom facility at the FBI Academy	...	...	-13,120
Nonrecurring costs - Rental of Engineering Building	...	...	-1,000
Federal Telecommunications System (FTS)	...	...	-2,738
Total decreases	...	...	-57,008
Total, Adjustments to Base	-38	205	-15,983
1987 Base	21,654	21,171	1,193,017

Federal Bureau of Investigation

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives	-38	-38	-$948

These FTE's and related resources are expected to be saved through a Productivity Improvement Study directed at refining automation processes and other streamlining measures.

Uncontrollable Increases:

1. This provides for the annualization of 243 additional positions approved in 1986	...	243	8,396	

	Approved 1986 Increases	Annualization Required
Annual salary rate of 655 approved positions	19,547,000	
Less lapse (33 percent)	-6,439,000	$6,439,000
Net compensation	13,108,000	
Associated employee benefits	2,241,000	1,957,000
Total costs subject to annualization	15,349,000	8,396,000

2. Within-grade increases	...	...	6,601

This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation of $6,073,000 and benefits of $528,000 = $6,601,000).

	Perm. Pos.	Work-years	Amount
3. Health benefits costs	...	...	$500

The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the FBI's actual contribution to health insurance increased approximately 2.6 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $500,000 provides funds for increased costs from pay period No. 2 ($741,741.75) to pay period No. 3 ($760,783.23) projected for 26 pay periods.

4. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	999

This increase reflects the billing provided by the Department of Labor for the actual costs in 1985 of employees' accident compensation. The 1987 amount will be $3,811,000 or $999,000 over the 1986 base.

5. GSA Rent	...	...	7,985

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $7,985,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

6. GSA recurring reimbursable services	...	...	360

Reimbursable payments are made to GSA for heating, ventilation, and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $360,000 over the 1986 base of $8,001,000.

7. Postal service increases	...	...	518

In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $518,000 provides for a 10 percent increase over the 1985 budgeted base of $5,175,000.

	Perm. Pos.	Work-years	Amount
8. GPO printing costs	...	...	$82

The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $1,371,000. An additional $82,000 will be required in 1987.

9. General pricing level adjustment	...	...	15,532

This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs, and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.

Object Class	General Pricing Level Adjustment
Travel and transportation of persons	$5,012
Transportation of things	289
Rental payments to others	35
Communications, utilities, and miscellaneous charges	1,356
Other services	1,512
Supplies and materials	1,364
Equipment	5,964
Total	15,532

	Perm. Pos.	Work-years	Amount
10. Cost escalation - replacement automobiles.....	...	...	$1,000

In 1987, an uncontrollable increase of $1 million is required for costs associated with replacing automobiles in the FBI's fleet which meet GSA's replacement standards. This approximates a 6.5 percent increase over the base funding of $15,114,855 and is based upon the following study. A 1984 study conducted by the Motor Vehicle Manufacturers Association revealed that in the past four years, the cost of a domestic vehicle has increased an average of 9.8 percent per annum. Because of the discount offered to the U.S. Government, the average cost of an FBI vehicle has increased approximately 7 percent per annum. Industry experts representing the major automobile manufacturers have advised it is too difficult to accurately predict a percent increase in the cost of a 1987 vehicle because of foreign trade quotas being lifted, coupled with the downsizing of American vehicles. However, the experts have indicated that in all probability, the percent increase will remain fairly constant.

Total uncontrollable increases.....	...	243	41,973
Decreases (automatic non-policy):			
1. Nonrecurring costs - Confidential expenditures.....	...	...	-12,090

Funding relating to confidential expenditures will be nonrecurred in 1987. Additional information regarding this matter will be provided in closed session.

2. Nonrecurring costs - RMS capital investment.....	...	...	-4,184

The 1986 request contains $4,184,000 for capital equipment for the Resource Management System (RMS). This entire amount, which was granted in 1984, is being nonrecurred in 1987.

3. Nonrecurring costs - IIS capital investment.....	...	...	-2,040

The 1986 request contains $1,320,000 for capital equipment for the Intelligence Information System (IIS) which was granted in 1981; $720,000 which was granted in 1984. The total of these two amounts, $2,040,000, is being nonrecurred in 1987.

4. Nonrecurring costs - CACN capital investment.....	...	...	-927

The 1986 request contains $927,000 for capital equipment for the Computer Applications Communications Network (CACN), granted in 1984. This entire amount is being nonrecurred in 1987.

125

	Perm. Pos.	Work-years	Amount
5. Nonrecurring costs - IRCS capital investment	...	...	-$2,825
The 1986 request contains $2,825,000 for capital equipment for the Intra-FBI Records Communications System (IRCS). This entire amount, which was granted in 1984, is being nonrecurred in 1987.			
6. Nonrecurring costs - OCIS capital investment	...	...	-960
The 1986 request contains $960,000 for capital equipment for the Organized Crime Information System (OCIS). This entire amount, which was granted in 1984, is being nonrecurred in 1987.			
7. Nonrecurring costs - Aircraft and avionics equipment	...	...	-1,000
The 1986 request contains $1,221,000 for the purchase of five fixed-wing aircraft, one helicopter, and additional avionics equipment, which was granted in 1984. Of this amount, $1,000,000 is being nonrecurred in 1987.			
8. Nonrecurring costs - AUTODIN capital investment	...	...	-2,329
In 1982 an increase of $2,329,000 was granted to establish a data communications network through the use of AUTODIN. This entire amount is being nonrecurred in 1987.			
9. Nonrecurring costs - Voice Privacy capital investment	...	...	-11,795
Funding of $11,795,000 is being nonrecurred for the voice privacy program in 1987 in order to re-establish base-level funding. Additional funding for this initiative is being sought and justified at the increased level.			
10. Nonrecurring costs - Telephone switch	...	...	-2,000
The 1986 request contains $2 million which was granted as an uncontrollable increase in 1985 to replace the telephone switch at FBIHQ. This entire amount is being nonrecurred in 1987.			

	Perm. Pos.	Work-years	Amount
11. Nonrecurring costs - Dormitory/classroom facility at the FBI Academy	...	...	-$13,120
12. Nonrecurring costs - Rental of Engineering Building	...	...	-1,000
An Amendment to the 1984 request provided $2 million for rental charges relating to the relocation of the FBI's Engineering Section. Actual rental and related services total approximately $1 million; therefore, $1 million is being nonrecurred. The balance will be nonrecurred when the Engineering Section moves into its new facility at Quantico, Virginia.			
13. Federal Telecommunications System (FTS)	...	...	-2,738
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $2,738,000 will be subtracted from the 1986 base of $7,249,000.			
Total decreases	...	...	-57,008
Total, adjustments to base	-38	205	-15,983

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase or Decrease Positions & Workyears	Increase or Decrease Amount
Executive Level II, $75,100	1		1		...	
Executive Level IV, $72,300	1		1		...	
Executive Level V, $68,700	2		2		...	
GS-18, $68,700	20		20		...	
GS-17, $68,700	43		43		...	
GS-16, $61,296 - $68,700	77		77		...	
GS/GM-15, $52,262 - $67,940	308		308		...	
GS/GM-14, $44,430 - $57,759	1,204		1,224		20	
GS/GM-13, $37,599 - $48,876	5,385		5,517		132	
GS-12, $31,619 - $41,105	1,283		1,284		1	
GS-11, $26,381 - $34,292	1,433		1,438		5	
GS-10, $24,011 - $31,211	926		926		...	
GS-9, $21,804 - $28,347	1,112		1,145		33	
GS-8, $19,740 - $25,662	400		400		...	
GS-7, $17,824 - $23,170	1,716		1,752		36	
GS-6, $16,040 - $20,855	1,925		1,925		...	
GS-5, $14,390 - $18,710	3,098		3,609		511	
GS-4, $12,862 - $16,723	1,680		1,680		...	
GS-3, $11,458 - $14,896	612		612		...	
Ungraded positions	466		466		...	
Total, appropriated positions	21,692	$630,253	22,430	$644,983	738	$14,730
Pay above stated annual rates	...	2,304	...	2,304	...	...
Lapse	-757	-25,058	-658	-11,189	99	13,869
Net permanent	20,935	607,499	21,772	636,098	837	28,599
Average GS/GM Salary		($29,055)		($28,755)		($19,959)
Average GS/GM Grade		(9.26)		(9.25)		(7.00)

General Statement

Mr. Smith. We are pleased to have with us again today the Director of the Federal Bureau of Investigation, Mr. William Webster.

Mr. Director, you may proceed with your statement.

Mr. Webster. Thank you, Mr. Chairman. I have a statement that I would like to file for the record and a brief opening statement, if I may.

Let me, once again, preface my summary of our budget request by thanking you and the other Members of your subcommittee for your strong support of the FBI during the past year.

For fiscal year 1987, the FBI is requesting a total of $1,278,410,000, 22,430 permanent positions, and 21,803 direct workyears. This represents a net increase, over the 1987 base, of $85.4 million, 776 permanent positions, and 632 direct workyears. Let me highlight a few of the increases.

FIELD GENERAL SUPPORT POSITIONS

A major component of the FBI's fiscal year 1987 request is the need for a total of 469 additional field general support positions. These positions are critically needed to accomplish expedited and routine typing, tape transcriptions, and other general support functions. These support positions are requested, in our budget material, through proportionate increases to our investigative programs.

An expanding backlog of this type of work presents an impediment to the timely conduct of investigations and the preparation of reports for prosecutors.

I believe that I mentioned this emerging problem last year.

The deficiency in field general support positions has developed over the past several years as the result of a combination of factors, including the following:

1. Usage of electronic surveillance techniques has increased our tape transcription workload, and that becomes increasingly pronounced, Mr. Chairman, as prosecutors ask for full transcriptions, and defense attorneys ask for full transcriptions of these tapes.

2. The organized crime drug enforcement task forces have not been funded for support positions commensurate with the agents.

3. Automation initiatives in the FBI have necessitated the creation of specialized positions in our field offices. For instance, our investigative information systems, such as the Organized Crime Information System, have required the establishment of computer assistants, electronic technicians, data loaders, and analyst positions.

4. Finally, other specialized positions such as forfeiture analysts and property custodians have had to be established and/or increased.

The accumulation of these factors and their gradual drawdown on available general support positions—we take the specialists, many of them, and train them out of the general support complement—have resulted in this becoming our most critical personnel requirement.

In addition to this personnel increase, other position increases are requested for our foreign counterintelligence, technical field support and equipment, and ADP/telecommunications programs.

VOICE PRIVACY REQUEST

A total increase of $21.9 million is being requested to allow the FBI to continue the voice private radio system initiative for the field. In previous testimony I described this as the most wanted assistance to the FBI by field agents trying to conduct their work against a backdrop of Bearcat scanners and other interceptions.

The increase is based on a needs assessment which was conducted in four of our larger field offices. This study determined that necessary enhancements to the original voice private radio system, increases in special agents and automobiles, and the need to provide increased geographical radio coverage will require resources above our original estimate. To date, six field offices have received voice private radio systems and equipment has been procured for 17 other field offices.

Under agreements now in effect, we expect that 36 of the offices will have systems installed or equipment procured by the end of fiscal year 1986.

Mr. Chairman, while the FBI has received $72.2 million in enhancement funding for the voice private radio system initiative, during the fiscal years 1982 through 1986, we have on the other hand, nonrecurred $71.3 million. The enhancement funding identified in our fiscal year 1987 request is essential for reestablishing the momentum of this program.

The Attorney General has designated the FBI as the lead agency within the Department of Justice for the development of a voice private radio system for the FBI, DEA, and U.S. Marshals Service. This results from prior analyses which support the feasibility of a common, shared radio system for the FBI and the DEA and our lead role in managing the majority of the mobile radios, repeaters, and base stations possessed by the FBI, DEA, and Marshals Service. We also have experience in designing and implementing a voice private radio system.

I'm sure you will appreciate that this is an ambitious program which will require mutual accommodation among the three organizations. Some FBI systems may require re-engineering, additional scarce VHF frequencies will be required, new procedures will be needed to protect each agency's sensitive operations, and there may have to be short-term realignments of specific FBI, DEA, and U.S. Marshals Service voice private radio system initiatives.

Significant advantages are expected from the development and integration of this multiagency system, including:

A uniform, consistent approach to planning, development, acquisition, implementation, and maintenance;

Improved geographic coverage for the DEA and U.S. Marshals Service; and

Cost benefits through elimination of duplication in capital acquisitions, site leases, and maintenance.

I might add that we have some 900 joint investigations currently underway with DEA, most of which require the joint task forces to communicate with each other. It is very important that we solve this problem, and bring these two major agencies together, in pursuit of the joint programs that we are operating. I can't think of

many more things on my list in equipment terms that are more important to the Bureau.

ARTIFICIAL INTELLIGENCE INITIATIVE

The FBI is requesting $12 million to fund initiatives related to artificial intelligence and the use of expert systems. The FBI continually suffers from the loss of expertise as experienced agents retire. "Human intelligence" is perishable, expensive, difficult to document, and difficult to transfer. In recent years, computer science has produced fruitful research and development efforts in artificial intelligence to provide assistance to humans involved in intellectual activities. These techniques are not merely mechanical aids in the handling of large amounts of data, but intellectual aids in the examination and decision-making process utilizing this data. Our work to date suggests that law enforcement and intelligence activities are particularly well suited to the application of this technology. Expert systems techniques will be applied to the top priority investigative programs such as labor racketeering, narcotics intelligence programs, and counterterrorism.

FINGERPRINT IDENTIFICATION LIMITATION

During fiscal year 1983 the FBI implemented a system to charge a user fee to contributors of non-criminal employment and licensing fingerprint cards. The fees, currently $14 per fingerprint card, are used to pay the complete cost of providing the service. Appropriation language initially passed in fiscal year 1983, places a limit of $13.5 million on the amount of these user fees which can be retained by the FBI. The cost of the service provided and the resulting user fees will exceed this limitation in fiscal year 1987. This results from increases in fingerprint card submissions and an increase in the fee charged. Therefore, I am requesting that our appropriation language be changed to authorize retention of $15.5 million for the activity.

NEW YORK FIELD OFFICE UPGRADE

Mr. Chairman, our fiscal year 1987 request includes $16.8 million for a long overdue expansion and upgrade of our New York field office facilities. The New York office is our largest office and has grown substantially in staffing in recent years. The office occupies substantially the same square footage of space today as it did when it moved to its current location in 1979, yet it is staffed with an additional 184 agents, 141 support, and 138 joint task force police detectives. In addition to the increased staffing, we have had to reduce the space available for personnel by 14,800 square feet to accommodate automation requirements, expanded file and evidence storage, and similar operational requirements. Our calculations show that general office space available to the New York office is 66 square feet per person, which is less than half of the GSA allowance of 135 square feet per person. The requested funding will allow expansion into three additional floors plus renovation of this space to meet our needs. Mr. Chairman, this expansion is dependent upon the relocation of agencies which now occupy the three

Summary of Requirements by Grade and Object Class (continued)
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase or Decrease Workyears	Increase or Decrease Amount
11.1	Full-time permanent	20,935	$607,499	21,772	$636,098	837	$28,599
11.3	Other than full-time permanent:						
	Part-time permanent	31	381	31	381	...	...
11.5	Other personnel compensation:						
	Overtime	...	5,000	...	5,000	...	...
	Administratively uncontrollable overtime	1,976	52,384	2,019	53,062	43	678
	Other compensation	35	4,804	35	5,016	...	212
	Total workyears and personnel compensation	22,977	670,068	23,857	699,557	880	29,489
12	Personnel benefits	...	101,569	...	107,938	...	6,369
13	Benefits to former personnel	...	361	...	361	...	...
21	Travel and transportation of persons	...	27,461	...	27,822	...	361
22	Transportation of things	...	6,840	...	7,380	...	540
23.1	Standard level user charges	...	54,500	...	67,361	...	12,861
23.2	Rental payments to others	...	4,135	...	4,135	...	...
23.3	Communications, utilities and misc. charges	...	52,433	...	50,708	...	-1,725
24	Printing and reproduction	...	2,287	...	2,388	...	101
25	Other services	...	84,288	...	92,423	...	8,135
26	Supplies and materials	...	32,362	...	33,786	...	1,424
31	Equipment	...	166,616	...	200,121	...	33,505
32	Lands and structures	...	12,696	...	10,000	...	-2,696
42	Insurance claims and indemnities	...	360	...	360	...	...
91	Unvouchered	...	70	...	70	...	...
	Total obligations	22,977	1,216,046	23,857	1,304,410	880	88,364
	Unobligated balance, start-of-year		-33,409		-26,000		7,409
	Unobligated balance, end-of-year		26,000		...		-26,000
	Unobligated balance, lapsing		363		...		-363
	Budget Authority (Appropriation)		1,209,000		1,278,410		69,410
	Relation of obligations to outlays:						
	Total obligations		1,216,046		1,304,410		
	Obligated balance, start-of-year		290,945		273,720		
	Obligated balance, end-of-year		-273,720		-320,283		
	Outlays		1,233,271		1,257,847		

Federal Bureau of Investigation

Salaries and expenses

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Amount	Construction Fiscal Year	Amount	Total Funding	Total Current Cost Est. or Actual	Current Status - January 1986: Oblig. to Date	Stage of Program	Expected Completion Date	Estimated Activation Date
1. Engineering Building:										
Architectural/Engineering	1984	$1,694,962								
	1985	82,212								
	1985	130,766			$1,907,940	$1,907,940	$443,888	Design Development	Fall 1988	---
Construction			1985	$9,000,000	9,982,000	29,000,000 to				
			(No Year)	982,000		31,000,000	---	Not Yet Begun	Fall 1989	Winter 1988
2. Dormitory/Classroom:										
Architectural/Engineering	1984	1,075,640			1,075,640	1,075,640	649,554	Preparation of Construction Documents	June 1986	---
Construction			1986	13,120,000 Est.	13,120,000	---	---	Not Yet Begun	Summer 1988	Summer 1988

59-584 O—86—9

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Planning and Site Acquisi. Amount	Construction Fiscal Year	Construction Amount	Total Funding	Total Current Cost Est. or Actual	Current Status - January 1986: Oblig. to Date	Current Status - January 1986: Stage of Program	Expected Completion Date	Estimated Activation Date
3. Site Preparation										
Electrical Power Distribution:										
Architectural/Engineering	1984	103,266			$103,266	$103,266	$52,127	Preparation of Contract Documents	Spring 1987	---
Construction			1984 (No Year)	$1,500,000	1,500,000	---	---	Not Yet Begun	Spring 1987	Spring 1987
Utility Distribution:										
Architectural/Engineering	1984 (No Year)	60,800			60,800	60,800	14,794	Preparation of Contract Documents (Phase II)	Spring 1986	---
Construction			1984 (No Year)	1,025,000	1,025,000	404,432	404,432	Phase I Complete Phase II Not Yet Begun	Fall 1986	Fall 1986
Telemetry and Undertank:										
Architectural/Engineering	1984 (No Year)	10,800			10,800	10,800	---	Preparation of Contract Documents	Spring 1986	---
Construction			1984 (No Year)	100,000	100,000	---	---	Not Yet Begun	Fall 1986	Fall 1986

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Planning and Site Acquisi. Amount	Construction Fiscal Year	Construction Amount	Total Funding	Total Current Cost Est. or Actual	Current Status - January 1986: Oblig. to Date	Stage of Program	Expected Completion Date	Estimated Activation Date
4. Crime Scene Building:										
Architectural/Engineering	1985	$130,115			$130,115	$130,115	$90,048	Construction Administration	Completed	---
Construction			1985	$1,372,400	1,372,400	1,372,400	172,780	Under Construction	August 1986	Sept. 1986
5. Instructional Support Building:										
Architectural/Engineering	1985	306,612			306,612	306,612	233,332	Construction Administration	Complete	---
Construction			1985	1,798,000	1,798,000	1,798,000	164,500	Under Construction	Oct. 1986	Dec. 1986
6. Maintenance Building:										
Architectural/Engineering	1985 1986	150,633 58,500			209,133	209,133	45,025	Design Development	July 1986	---
Construction			1986	1,941,500	1,941,500	---	---	Not Yet Begun	July 1987	August 1987

257

Federal Bureau of Investigation

Salaries and expenses

Consulting and Related Services
(Dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Consulting Services.....	$2,812	$3,237	$3,597

Consulting services are being utilized to support the development and enhancement of Automatic Data Processing (ADP) Systems. Services are required for the Field Office Information Management System (FOIMS), a multi-million dollar developmental project which will be the backbone of the FBI's integrated data processing environment. Additionally, the Mitre Corporation is conducting an analysis of NCIC functional requirements through the year 2000. The Identification Division will continue to use the services of the National Bureau of Standards, provide support for AIDS-III operations, and provide for additional enhancements to the Automated Latent System.

Consulting services are employed by the Laboratory Division when it is determined that the in-house research staff does not have the expertise to conduct a certain research project or that the project can be done more economically by an outside academic or research facility. Such research projects currently include a contract to complete the system which provides an automated method for making extremely accurate measurements of typewriter impressions; software for automation of the National Fraudulent Check File; a contract to develop an alternative method for phosphoglucomutose phenotyping in forensic materials; and research into a portable explosives detector which is a joint project with the State Department. Additionally, from time to time it is necessary to employ outside consultants. Currently we have a contract with Dr. Murray Miron, of Syracuse University, to provide psycholinguistic analysis of coercive communiques and with Mr. Al Corrigan to establish a forensic science resource information system.

floors, asbestos removal from the space, and substantial space modification, all of which must be contracted out. For these reasons I am requesting that $15 million of this funding remain available until expended.

Mr. Chairman, that concludes my summary of our fiscal year 1987 request and some points I thought I should highlight to you. I have already submitted the detailed summary for the record, and I will now be pleased to answer any questions.

[The prepared statement of Mr. Webster follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF THE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

WILLIAM H. WEBSTER

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON

THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE

JUDICIARY, AND RELATED AGENCIES

GOOD AFTERNOON MR. CHAIRMAN. LET ME, ONCE AGAIN, PREFACE MY SUMMARY OF OUR BUDGET REQUEST BY THANKING YOU AND THE OTHER MEMBERS OF YOUR SUBCOMMITTEE FOR YOUR STRONG SUPPORT OF THE FBI DURING THE PAST YEAR.

FOR FISCAL YEAR 1987, THE FBI IS REQUESTING A TOTAL OF $1,278,410,000, 22,430 PERMANENT POSITIONS, AND 21,803 DIRECT WORKYEARS. THIS REPRESENTS A NET INCREASE, OVER THE 1987 BASE, OF $85.4 MILLION, 776 PERMANENT POSITIONS, AND 632 DIRECT WORKYEARS. LET ME HIGHLIGHT A FEW OF THE INCREASES.

GENERAL SUPPORT

A MAJOR COMPONENT OF THE FBI'S FISCAL YEAR 1987 REQUEST IS THE NEED FOR A TOTAL OF 469 ADDITIONAL FIELD GENERAL SUPPORT POSITIONS. THESE POSITIONS ARE CRITICALLY NEEDED TO ACCOMPLISH EXPEDITE AND ROUTINE TYPING, TAPE TRANSCRIPTIONS, AND OTHER GENERAL SUPPORT FUNCTIONS. THESE SUPPORT POSITIONS ARE REQUESTED, IN OUR BUDGET MATERIAL, THROUGH PROPORTIONATE INCREASES TO OUR INVESTIGATIVE PROGRAMS.

AN EXPANDING BACKLOG OF THIS TYPE OF WORK PRESENTS AN IMPEDIMENT TO THE TIMELY CONDUCT OF INVESTIGATIONS AND THE PREPARATION OF REPORTS FOR PROSECUTORS.

THE DEFICIENCY IN FIELD GENERAL SUPPORT POSITIONS HAS DEVELOPED OVER THE PAST SEVERAL YEARS AS THE RESULT OF A COMBINATION OF FACTORS, INCLUDING THE FOLLOWING:

1) USAGE OF ELECTRONIC SURVEILLANCE TECHNIQUES HAS INCREASED OUR TAPE TRANSCRIPTION WORKLOAD.

2) THE ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES HAVE NOT BEEN FUNDED FOR SUPPORT POSITIONS COMMENSURATE WITH THE AGENTS.

3) AUTOMATION INITIATIVES IN THE FBI HAVE NECESSITATED THE CREATION OF SPECIALIZED POSITIONS IN OUR FIELD OFFICES. FOR INSTANCE, OUR INVESTIGATIVE INFORMATION SYSTEMS, SUCH AS THE ORGANIZED CRIME INFORMATION SYSTEM, HAVE REQUIRED THE ESTABLISHMENT OF COMPUTER ASSISTANTS, ELECTRONIC TECHNICIANS, DATA LOADERS, AND ANALYST POSITIONS.

4) FINALLY, OTHER SPECIALIZED POSITIONS SUCH AS FORFEITURE ANALYSTS AND PROPERTY CUSTODIANS HAVE HAD TO BE ESTABLISHED AND/OR INCREASED.

THE ACCUMULATION OF THESE FACTORS AND THEIR GRADUAL DRAW-DOWN ON AVAILABLE GENERAL SUPPORT POSITIONS HAVE RESULTED IN THIS BECOMING OUR MOST CRITICAL PERSONNEL REQUIREMENT.

IN ADDITION TO THIS PERSONNEL INCREASE, OTHER POSITION INCREASES ARE REQUESTED FOR OUR FOREIGN COUNTERINTELLIGENCE, TECHNICAL FIELD SUPPORT AND EQUIPMENT, AND ADP/TELECOMMUNICATIONS PROGRAMS.

VOICE PRIVATE RADIO SYSTEM

A TOTAL INCREASE OF $21.9 MILLION IS BEING REQUESTED TO ALLOW THE FBI TO CONTINUE THE VOICE PRIVATE RADIO SYSTEM INITIATIVE FOR THE FIELD. THE INCREASE IS BASED ON A NEEDS ASSESSMENT WHICH WAS CONDUCTED IN FOUR OF OUR LARGER FIELD OFFICES. THIS STUDY DETERMINED THAT NECESSARY ENHANCEMENTS TO THE ORIGINAL VOICE PRIVATE RADIO SYSTEM, INCREASES IN SPECIAL AGENTS AND AUTOMOBILES, AND THE NEED TO PROVIDE INCREASED GEOGRAPHICAL RADIO COVERAGE WILL REQUIRE RESOURCES ABOVE OUR ORIGINAL ESTIMATE. TO DATE, SIX FIELD OFFICES HAVE RECEIVED VOICE PRIVATE RADIO SYSTEMS AND EQUIPMENT HAS BEEN PROCURED FOR 17 OTHER FIELD OFFICES.

MR. CHAIRMAN, WHILE THE FBI HAS RECEIVED $72.2 MILLION IN ENHANCEMENT FUNDING FOR THE VOICE PRIVATE RADIO SYSTEM INITIATIVE, DURING THE FISCAL YEARS 1982 THROUGH 1986, WE HAVE ON THE OTHER HAND, NONRECURRED $71.3 MILLION. THE ENHANCEMENT FUNDING IDENTIFIED IN OUR FISCAL YEAR 1987 REQUEST IS ESSENTIAL FOR REESTABLISHING THE MOMENTUM OF THIS PROGRAM.

THE ATTORNEY GENERAL HAS DESIGNATED THE FBI AS THE LEAD AGENCY WITHIN THE DEPARTMENT OF JUSTICE FOR THE DEVELOPMENT OF A VOICE PRIVATE RADIO SYSTEM FOR THE FBI, DEA, AND U. S. MARSHALS SERVICE. THIS RESULTS FROM PRIOR ANALYSES WHICH SUPPORT THE FEASIBILITY OF A COMMON, SHARED RADIO SYSTEM FOR THE FBI AND THE DEA AND OUR LEAD ROLE IN MANAGING THE MAJORITY OF THE MOBILE RADIOS, REPEATERS, AND BASE STATIONS POSSESSED BY THE FBI, DEA, AND MARSHALS SERVICE. WE ALSO HAVE EXPERIENCE IN DESIGNING AND IMPLEMENTING A VOICE PRIVATE RADIO SYSTEM.

I'M SURE YOU WILL APPRECIATE THAT THIS IS AN AMBITIOUS PROGRAM WHICH WILL REQUIRE MUTUAL ACCOMMODATION AMONG THE THREE ORGANIZATIONS. SOME FBI SYSTEMS MAY REQUIRE RE-ENGINEERING, ADDITIONAL SCARCE VHF FREQUENCIES WILL BE REQUIRED, NEW PROCEDURES WILL BE NEEDED TO PROTECT EACH AGENCY'S SENSITIVE OPERATIONS, AND THERE MAY HAVE TO BE SHORT-TERM REALIGNMENTS OF SPECIFIC FBI, DEA, AND U. S. MARSHALS SERVICE VOICE PRIVATE RADIO SYSTEM INITIATIVES.

SIGNIFICANT ADVANTAGES ARE EXPECTED FROM THE DEVELOPMENT AND INTEGRATION OF THIS MULTIAGENCY SYSTEM, INCLUDING:

- A UNIFORM, CONSISTENT APPROACH TO PLANNING, DEVELOPMENT, ACQUISITION, IMPLEMENTATION, AND MAINTENANCE;
- IMPROVED GEOGRAPHIC COVERAGE FOR THE DEA AND U. S. MARSHALS SERVICE; AND
- COST BENEFITS THROUGH ELIMINATION OF DUPLICATION IN CAPITAL ACQUISITIONS, SITE LEASES, AND MAINTENANCE.

AUTOMATED DATA PROCESSING

THE FBI IS REQUESTING $12 MILLION TO FUND INITIATIVES RELATED TO ARTIFICIAL INTELLIGENCE AND THE USE OF EXPERT SYSTEMS. THE FBI CONTINUALLY SUFFERS FROM THE LOSS OF EXPERTISE AS EXPERIENCED AGENTS RETIRE. "HUMAN INTELLIGENCE" IS PERISHABLE, EXPENSIVE, DIFFICULT TO DOCUMENT, AND DIFFICULT TO TRANSFER. IN RECENT YEARS, COMPUTER SCIENCE HAS PRODUCED FRUITFUL RESEARCH AND DEVELOPMENT EFFORTS IN ARTIFICIAL INTELLIGENCE TO PROVIDE ASSISTANCE TO HUMANS INVOLVED IN INTELLECTUAL ACTIVITIES. THESE TECHNIQUES ARE NOT MERELY MECHANICAL AIDS IN THE HANDLING OF LARGE AMOUNTS OF DATA, BUT INTELLECTUAL AIDS IN THE EXAMINATION AND DECISION MAKING PROCESS UTILIZING THIS DATA. OUR WORK TO DATE SUGGESTS THAT LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES ARE PARTICULARLY WELL SUITED TO THE APPLICATION OF THIS TECHNOLOGY.

EXPERT SYSTEMS TECHNIQUES WILL BE APPLIED TO THE TOP PRIORITY INVESTIGATIVE PROGRAMS SUCH AS LABOR RACKETEERING, NARCOTICS INTELLIGENCE PROGRAMS, AND COUNTERTERRORISM.

IDENTIFICATION USER-FEE PROGRAM

DURING FY 1983 THE FBI IMPLEMENTED A SYSTEM TO CHARGE A USER FEE TO CONTRIBUTORS OF NON-CRIMINAL EMPLOYMENT AND LICENSING FINGERPRINT CARDS. THE FEES, CURRENTLY $14 PER FINGERPRINT CARD, ARE USED TO PAY THE COMPLETE COST OF PROVIDING THE SERVICE. APPROPRIATION LANGUAGE INITIALLY PASSED IN FY 1983, PLACES A LIMIT OF $13.5 MILLION ON THE AMOUNT OF THESE USER FEES WHICH CAN BE RETAINED BY THE FBI. THE COST OF THE SERVICE PROVIDED AND THE RESULTING USER FEES WILL EXCEED THIS LIMITATION IN FISCAL YEAR 1987. THIS RESULTS FROM INCREASES IN FINGERPRINT CARD SUBMISSIONS AND AN INCREASE IN THE FEE CHARGED. THEREFORE, I AM REQUESTING THAT OUR APPROPRIATION LANGUAGE BE CHANGED TO AUTHORIZE RETENTION OF $15.5 MILLION FOR THIS ACTIVITY.

NEW YORK FIELD OFFICE RENOVATION

MR. CHAIRMAN, OUR FISCAL YEAR 1987 REQUEST INCLUDES $16.8 MILLION FOR A LONG OVERDUE EXPANSION AND UPGRADE OF OUR NEW YORK FIELD OFFICE FACILITIES. THE NEW YORK OFFICE IS OUR LARGEST OFFICE AND HAS GROWN SUBSTANTIALLY IN STAFFING IN RECENT YEARS. THE OFFICE OCCUPIES SUBSTANTIALLY THE SAME SQUARE FOOTAGE OF SPACE TODAY AS IT DID WHEN IT MOVED TO ITS CURRENT LOCATION IN 1979, YET IT IS STAFFED WITH AN ADDITIONAL 184 AGENTS, 141 SUPPORT, AND 138 JOINT TASK FORCE POLICE DETECTIVES. IN ADDITION TO THE INCREASED STAFFING, WE HAVE HAD TO

REDUCE THE SPACE AVAILABLE FOR PERSONNEL BY 14,880 SQUARE FEET TO ACCOMMODATE AUTOMATION REQUIREMENTS, EXPANDED FILE AND EVIDENCE STORAGE, AND SIMILAR OPERATIONAL REQUIREMENTS. OUR CALCULATIONS SHOW THAT GENERAL OFFICE SPACE AVAILABLE TO THE NEW YORK OFFICE IS 66 SQUARE FEET PER PERSON, WHICH IS LESS THAN HALF OF THE GSA ALLOWANCE OF 135 SQUARE FEET PER PERSON. THE REQUESTED FUNDING WILL ALLOW EXPANSION INTO THREE ADDITIONAL FLOORS PLUS RENOVATION OF THIS SPACE TO MEET OUR NEEDS. MR. CHAIRMAN, THIS EXPANSION IS DEPENDENT UPON THE RELOCATION OF AGENCIES WHICH NOW OCCUPY THE THREE FLOORS, ASBESTOS REMOVAL FROM THE SPACE, AND SUBSTANTIAL SPACE MODIFICATION, ALL OF WHICH MUST BE CONTRACTED OUT. FOR THESE REASONS I AM REQUESTING THAT $15 MILLION OF THIS FUNDING REMAIN AVAILABLE UNTIL EXPENDED.

SUMMARY

MR. CHAIRMAN, THAT CONCLUDES MY SUMMARY OF OUR FISCAL YEAR 1987 REQUEST. I HAVE A MORE DETAILED SUMMARY WHICH I AM SUBMITTING FOR THE RECORD, AND I WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MIGHT HAVE AT THIS TIME.

GRAMM-RUDMAN-HOLLINGS

Mr. SMITH. How much is your sequestration under Public Law 99-177?

Mr. WEBSTER. 4.3 percent is $52 million for 1986.

Mr. SMITH. How do you propose to handle that?

Mr. WEBSTER. Under arrangements with this committee, we have made those allocations.

Mr. SMITH. It will have some impact, obviously, but how can you handle that impact?

Mr. WEBSTER. It will, as you point out, have some impact on us. It will defer some programs, because we have to defer some purchases of equipment, and we will not be hiring—we will modify our hiring plan, which will produce about $9 million in savings. This will not require us to RIF anyone, but it will slow down our hiring process. Then we will pick up $43.3 million by eliminating research and development and equipment purchases. We can live with that. It is 1987 that we are seriously concerned about.

TERRORISM ADD-ON

Mr. SMITH. In 1986 we provided 191 positions, and that was $8,468,000 above the budget request for domestic terrorism.

Mr. WEBSTER. They have been, Mr. Chairman. We are very appreciative for that add-on. It came at a very timely point in our experience, because we were overburdened in this area. It provided 151 positions for the field, of which 86 were agents, and 65 were support, which included general and special support positions of Investigative Support Information System analysts. At headquarters, we received 40 support positions to include general support and the special support positions of Intelligence Research Specialists and Technical Information Specialists. Again I want to tell you how much we appreciate that.

Mr. SMITH. Also in the FY 1986 Appropriation Act the FBI is, by June 1st, to submit a report to Congress outlining capabilities and efforts to counter the electronic interception of American telecommuncations by foreign agents. What is the status of that?

Mr. WEBSTER. We are currently working on that, Mr. Chairman, and we expect that we will have the report on a timely basis to you.

OVERTIME PAYMENTS TO STATE AND LOCAL POLICE

Mr. SMITH. And you are proposing to eliminate the authority from the appropriations language to pay expenses of state and local law enforcement agencies while they are engaged in cooperative activities related to terrorism. Why are you doing that?

Mr. WEBSTER. That is about a half million dollars, Mr. Chairman, that we use to pay overtime. Police officers can only work according to their funding, and they have no other arrangements. When they run out of overtime money, they have to quit, and this was the practice. The funding was to make sure that our joint task forces could continue to operate as a team. We deleted the language to be consistent with the Administration's desire to have

training efforts reimbursed by state and local participants, and to pass back some of those expenses to state and local governments.

Mr. SMITH. What do you think will happen in those cases where you have been paying this?

Mr. WEBSTER. I don't know the answer to that question, because the police in most jurisdictions have no legal right to work overtime. They must stop working when there is no basis for paying them, and so we will have a serious problem in trying to investigate these high-impact cases, which are terrorism and bank robberies often in aid of terrorism. I haven't crossed that bridge because I don't know whether the state and local people will attempt to provide greater funding for those efforts. I certainly hope so.

CURRENT NUMBER OF AGENTS

Mr. SMITH. What is the total number of agents you have now authorized and on board?

Mr. WEBSTER. Around 9,000. On board is 8,954 and workyears are 9,151, authorized.

Mr. SMITH. You are about 200 under?

Mr. WEBSTER. This is where we will experience the impact of Gramm-Rudman, because we will not try to get to that number, in order to save the $9 million.

STATE AND LOCAL TRAINING

Mr. SMITH. Mr. O'Brien.

Mr. O'BRIEN. Thank you, Mr. Chairman.

Welcome back, Mr. Webster.

Mr. WEBSTER. Thank you very much.

Mr. O'BRIEN. I think I know the answer to this before asking the question but I believe I should ask anyway. I received some correspondence from some of my constituents relative to the Department's proposal to charge state and local trainees who attend the FBI National Academy for the costs of travel, meals and lodging, but not instruction. It has been my experience, Judge Webster, that when you once start giving somebody something they automatically believe they are entitled to it. But in this case it does seem to me that they can make a pretty good case for outreach help that those state and local law enforcement agencies provide the Bureau. Is there any way we could get away from that particular problem?

Mr. WEBSTER. I don't know the answer to that, Congressman O'Brien. The Administration has adopted a policy of seeking reimbursement for aid provided. We are trying to assess at the present time the impact of that on the funding ability and willingness of state and local law enforcement people to continue to send their officers to us. We hope that they will, because the National Academy has been one of the major links between state and local law enforcement, and has avoided the necessity of a national police force, by giving them a standard of training unequaled anywhere in the world, and I hope that will keep up.

I do have concerns about the ones who can't afford to come. They are the ones that need it the most, but this is an Administration policy, and I really don't know what I can tell you about it.

We have an undigested suggestion that I throw out simply to be responsive to your question. If there was some way that some of the forfeiture statutes that have been adopted to permit the use of drug forfeitures in various state, Federal and local law enforcement efforts could be authorized, at least those that come into our possession, to be used to restore or to augment or to provide scholarships or something of that kind in situations where we believe it is necessary, to encourage economically deprived areas that need better law enforcement. That is something that we are looking at. It is really not off the ground, but it seems to have some potential merit, and I mention it to you because you were interested in what we might be able to do, consistent with the Administration's policy of seeking reimbursement.

Mr. O'BRIEN. Thank you. Thank you, Mr. Chairman.

Mr. SMITH. You can make a lot of money if it was sold at street price. Mr. Early.

TERRORISM

Mr. EARLY. Thank you, Mr. Chairman.

Let's talk about domestic terrorism. Last year one of the problems this Subcommittee saw was that you were taking agents and personnel from other programs and putting them into this one. So we gave you additional money for domestic terrorism. Are you currently transferring anyone out of domestic terrorism, to cover any of the other things? Have all positions that were intended for domestic terrorism been used for that purpose, which was the intent of the Committee?

Mr. WEBSTER. The workyears that are authorized?

Mr. EARLY. Yes.

Mr. WEBSTER. I guess the best way to answer that question is we are using everything we had and everything you gave us, and we are still spending more, so it is not a question of moving them out of terrorism. We are bringing other resources into the terrorism program from other programs.

Mr. EARLY. I am surprised to hear that you had to take more, because we had given you so much.

Mr. WEBSTER. You did.

Mr. EARLY. I see terrorism as the biggest potential threat to the country.

Mr. WEBSTER. This is one that when we talk about our successes—and they are really quite significant I think to date—you knock on wood all the time, of course. But when we reduce the actual number of terrorism incidents down to seven, that only tells part of the story. It doesn't tell about the 23 that we prevented from happening, and there is a great deal of effort going into trying to identify the workings of organizations, whether they are on the left or on the right, that want to do violence, and to get there before they do something. And we are burning a lot of workyears because of that.

Mr. EARLY. That is where I really think we should be spending the money.

Mr. WEBSTER. That is where we should be.

RECENT TERRORIST INCIDENTS

Mr. EARLY. You don't get any credit for that. I think the President alluded to that in his message. Could you tell the Committee briefly about some of these incidents on both the left and right. Could you give us a quick summary of those particular groups?

Mr. WEBSTER. On the left, of course, if you will recall the last two to three years coming to you talking about the problems, you were asking about who bombed the Capitol and who did these things on the East Coast. The groups I mentioned were United Freedom Front, the Armed Resistance Unit, and then there are the Red Guerrilla Resistance and a few odd-ball names of that kind, and an organization called the May 19th Communist Organization.

We currently, within the last year, have brought indictments and some are already standing trial against the leaders in all of those organizations. We located one of the principal actors up in your part of the world.

Mr. EARLY. Levasseur.

Mr. WEBSTER. Raymond Levasseur. And then later we found him out in Ohio, but he had robbed a truck in New England—that was our Bosluc case—to raise money for terrorist activities. We tracked his partner, Thomas William Manning, into Virginia, and arrested him there.

Susan Rosenberg is standing trial. We recently apprehended one of the ones I most wanted to get, Mutula Shakur, who ran the acupuncture center in New York. That was the brains or the intelligence center for the Brink's robbery, the NYROB case.

With those under indictment and some standing charge, I think we have covered the principal actors in all but the Jewish Defense League cases on the East Coast.

IDENTIFICATION OF LEVASSEUR AND MANNING

Mr. EARLY. It took us a long time to identify Levasseur.

Mr. WEBSTER. He was on the most-wanted list since 1977, but he was not wanted for these bombings. He was wanted for bank robbery and other activities.

Mr. EARLY. We weren't really identifying him as a terrorist?

Mr. WEBSTER. No.

Mr. EARLY. It really bothered me that it took the FBI this long.

Mr. WEBSTER. We brought all of our people in from the East Coast, the squad leaders in terrorism, the heads of the offices. We brought our own terrorist section together, and made some pep-talks and said it's time to put all this intelligence together and find out where we are going. And everything started pointing to that bank truck robbery, with which Manning was identified.

Out of that came one of the best investigations that I have seen the FBI do, because they were the cleverest fugitives in my experience. They dry-cleaned themselves everywhere they went. They used their wives to collect their mail. They used maildrops in other cities. They had families, if you will recall, and the children were taught to change their names and take different identities on the drop of a hat, and we used aerial surveillance to track them from Columbus into Cleveland, right to the apartment, and made the arrests in that way. It was a good investigation. It took a long time,

and it was the culmination of a lot of effort that I think would take a lot less time to do today. But back when I inherited the Bureau in 1978, we didn't have a terrorism section. We had a history department that could tell us everything about the Weather Underground and the Black Panthers but couldn't tell us anything about what was going on at that time.

Mr. EARLY. But specifically, what about that conviction you just got with that group, the Order; how much money do you expect to recapture?

Mr. WEBSTER. On seizures?

Mr. EARLY. Are we going to have a RICO bid on that?

Mr. WEBSTER. There will be some, but I think in terrorist organizations it is only the cash you find on hand that you are going to be able to seize.

Mr. EARLY. They don't have title to property?

Mr. WEBSTER. My recollection—I am advised by the Deputy Assistant Director for Criminal Investigation that most of these people are renting property. Their money doesn't get into real estate. The organized crime figure, yes, but the terrorist not so much. But we will be putting them out of business and that is perhaps the most important thing.

MONITORING OF TERRORIST GROUPS

Mr. EARLY. Can you tell the Committee that you are satisifed with the monitoring of the terrorist groups that you have identified, whether it be the Order and those groups, or the May 19th Communist Organization?

Mr. WEBSTER. I think we have a very good handle on our domestic terrorist groups, the Order, Convenant, the Sword, the Aryan Nations, all of those have been reduced currently. I say currently because they have remarkable Phoenix-like survival capabilities from shambles. The one organization that we can never count out is the FALN. We shove them into the ground; they stay quiet for five or six years, and then they are back again.

UNDERCOVER AUTHORIZATIONS

Mr. EARLY. We don't want you to overspend. I personally don't want to give you additional money just to give you money. So many times we identify problems and think we can throw a bucket of money at it and this will solve it.

Mr. WEBSTER. We have got to be able to defend everything we do in a court, before the Congress, and the media, and I am confident that we are doing everything we should be doing. There are times when I hold my breath, and I don't know whether this is the appropriate time to mention it, but the reauthorizations that you have given us on each budget to have undercover work and to rent spaces so we can watch what is going on, do this sort of thing and set up covert businesses, and to use income from these businesses to pay our expenses—those things stand or fall on getting an authorization bill through.

If the authorization bill doesn't get through, then we run out of authorization, and that blows some of the more sensitive surveillance efforts that we have. I hope someday that the Administra-

tion—the Department currently has a bill under consideration—I hope the Administration will consider it favorably and that you will consider it favorably—to give us permanent authority to use covert—this is not to engage in covert but to use facilities, take title to real estate in names other than the United States, and use bank accounts other than the U.S. Treasury, the kinds of things you give us every year we would certainly like to see it become a permanent authority.

Mr. EARLY. I'm just concerned that you don't misuse your discretionary authority by shifting between accounts.

Mr. WEBSTER. We have used them.

Mr. EARLY. You may have abused your discretionary authority in my opinion when you consider Abscam and everything else. Those were types of covert activities I never had problems with before. But I have reservations about giving it to you now. On domestic terrorism, the most outspoken Member of the Judiciary was an ex-member of the Bureau. He didn't make it easy for the Chairman or this Committee to give the additional money for domestic terrorism. I hope that we will have an authorization bill and get a lot more specific about things like identifying, for example, those cases of terrorism that you prevented. That way, when we go to the floor on counterintelligence we have that information. As you know, there wasn't universal acceptance of that money for domestic terrorism last year.

Mr. WEBSTER. I can appreciate the concern, and I certainly don't want to ask for no oversight. We simply don't want to run out of authority because a bill didn't get passed.

GRAMM-RUDMAN-HOLLINGS

Mr. EARLY. No, I know the problems with that. What about your 4.3 percent cut; did you cut across the board?

Mr. WEBSTER. No, because this committee authorized us to use discretion in the application of that proceeding. If we had cut across the board, Congressman Early, we would have had to fire agents.

Mr. EARLY. I am not an advocate of across-the-board cuts. But I heard Mr. Meese say this morning, yes, we cut across the board because of this and that. I think he is wrong. Did you cut overtime?

Mr. WEBSTER. No, I don't think we had authority to do that.

Mr. EARLY. What do you mean you didn't have authority? You have the authority. That is something that you should bring about at your own discretion. You certainly have the authority to reduce that.

Mr. WEBSTER. We did not do that. We did not cut into some programs as much as we cut into some of the other programs.

ADMINSTRATIVELY UNCONTROLLABLE OVERTIME

Mr. EARLY. What is the dollar amount on Administratively Uncontrollable Overtime for the Justice Department this year?

Mr. WEBSTER. I can't tell you for the whole Justice Department, Congressman Early, but for the FBI, the 1986 budget for AUO was $52,384,000, which produced a cost avoidance or savings to the government, had we paid overtime, of $33,665,825. I know your view.

Mr. EARLY. I think it would be much better to bring the salaries up. It is not overtime, it is the salaries.

Mr. WEBSTER. I know your views on that.

Mr. EARLY. By letting you have the discretion to give them compensatory time, I don't think we are facing the problem. This is something I don't think we should do.

Mr. Chairman, I have other questions but I will yield.

Mr. SMITH. Mr. Dwyer.

Mr. DWYER. Thank you, Mr. Chairman.

Speaking about overtime, somebody in my office cut this out. It is an ad for women to investigate careers in the FBI as special agents. The ad says that the entrance level salary is $24,000 with additional compensation of $6,000 for overtime.

Mr. WEBSTER. That is AUO. That is based on the Grade 10 entrance figure, which is what a new agent is paid, and it applies to all agents regardless of their grade, on a Grade 10.

Mr. DWYER. It seems like a strange ad to have to pay them overtime just as soon as they complete their 15-week training session.

Mr. WEBSTER. Maybe we had better have our people who put these ads in review what they are saying to make sure it is clear. I think they wanted to be accurate, but I agree with you it sounds confusing to me.

Mr. DWYER. I think there was a young lady in my office that was attracted by the ad.

AGENT RETIREMENT

You mentioned the amount of retirees that you are going to be faced with in the late '80s and the early '90s. That is going to be quite a problem, is it not? Will you have an awful lot of agents retiring?

Mr. WEBSTER. We will in the later part of the '80s. It is a cycle. One of the things that we have done that I think will help us make better management judgments is that we have actually cast a computer model of where we are going to be, so we can make appropriate plans, and not have that hit us all at once. I entered the Bureau in February 1978, the same month 800 agents were required to retire under the Mandatory Retirement Act, and I know when there is no planning and you are just confronted with those things, how difficult that can be.

We can have significant numbers of agents eligible to retire between 50 and 55, if they have 20 years of service, and one of our objectives is to make the Bureau so attractive to them that they will use the back half of their five-year window rather than the front half to leave.

DRUG ENFORCEMENT

Mr. DWYER. Just one more question, Judge. Are you really satisfied with the drug enforcement programs that we have gotten underway in this country, has it been successful?

Mr. WEBSTER. As long as I see the problems that are out there, I can't express any kind of satisfaction. It is our number one crime problem. It continues to come in large quantities. We can see for the first time in my memory, and I have had 25 years' exposure to

federal law enforcement, the first time in my memory a really concerted effort where more than just one law enforcement component at a time is taking on the problem. Now we are a long way from there, and I have said many times this is no sport for the shortwinded, but I have seen some significant progress at every end of the spectrum.

I was trooping around in the poppy fields in northern Thailand six weeks ago talking to tribal hillsmen who were trying to be persuaded to use coffee trees instead of a nonperishable product that the drug traffickers will take off their hands in place. They don't have to ship; they don't have to market; they don't have to worry about three years to grow a crop. It is a difficult problem, and I mentioned it only because that is the beginning of the problem, but it is being addressed at every stage of the problem.

MILITARY AND FBI ASSISTANCE FOR DRUG ENFORCEMENT

Ten years ago we didn't have any military assistance at all. Now we do. We have intelligence that is coming together. The Vice President's Joint Task Force report will be released in declassified form probably some time this week, certainly by next week, and that will reflect some of the recommendations that have been made by the commission, on which I have served.

Where I think that putting the FBI into the picture was an important step, both in terms of the extra manpower, we have got a thousand agents working drugs now, but also in terms of Title III wiretaps, the laboratory, the forensic effort and the training. The Drug Enforcement Administration is now taking its training at our academy at Quantico, Virginia. There are a number of things I could detail that are improving the quality of investigative work in this country. The interdiction effort has been shaky, but at least it is coming into focus.

REDUCING DEMAND FOR DRUGS

Where I think we have done the least, and where at least 50 percent of our problem exists, is in the demand area. We work supply, but demand is not being properly addressed. As long as people want it, I am convinced that drugs are going to come into this country, and this is an effort that can't be done by law enforcement. We can help. We have set up drugs-sports awareness programs to try to bring role models into the high schools and talk to the kids. We have worked with the National Federation for Drug-Free Youth. We have talked about testing in those areas where testing should occur, and about taking some other steps on a voluntary basis to reduce demand.

I look at those no-smoking signs in the back of the airplanes, and I say this is what education did as far as smoking is concerned. We did that in such a short time with smoking, we ought to be able to do more in drugs. We just ought to be able to do more in drugs. We just haven't done it, and it is something I hope the Congress will keep an eye on, because it involves the entire population. It is not something you delegate to law enforcement.

OVERSEAS EFFORTS NOT CONSISTENT

Mr. DWYER. Are you satisfied with the enforcement efforts? You mentioned Thailand before. Are you satisfied with the enforcement efforts in the countries that produce these drugs?

Mr. WEBSTER. No, because it is spotty. Many of the countries that produce drugs, particularly in the Golden Triangle and the Golden Crescent areas, and also in Central America are relatively unstable in terms comparable to the United States. They do not have the full authority to deal unflinchingly with their problem, and too much heat brings political consequences.

To give you an example, the police are now destroying opium fields in northern Thailand, up above Chaing My, but they are leaving 20 percent of the poppies there, to sort of appease the tribesmen who are conservative. They are worried about "you wipe out our source of livelihood, we will starve."

That is the sort of modified approach that Thailand is taking. On the other hand, countries like Pakistan and, until recently, Colombia, allowed armies to develop in the jungles, and actually control that territory, and there was no real effort to do something about it. Colombia, I think very admirably, is heavily engaged in trying to control the drug trafficking, and at some cost. When the Supreme Court building is blown up, when DEA agents are tortured and killed, when you see political corruption at work, you know some of the problems that they face.

I think it would help those countries if we did a little more about demand. It causes me to wonder about users. I haven't said this publicly, and I really haven't got a clear thinking on it myself, but they always ask the question "are your consumers providing the market? What do you do about your consumers?" And I look at the law enforcement effort, and we don't do very much about the consumers.

DRUGS AS A HEALTH HAZARD

Mr. DWYER. Do you think we can get the NIH to link it up with cancer?

Mr. WEBSTER. There is a possibility. The Drug Enforcement Administration has recently found that as we remove some of the precursors and essential ingredients in cocaine, principally either, that they are going to benzedrine and other chemicals which are believed to have carcinogenic characteristics, and that in itself might be enough to scare some of the people away from it.

Mr. DWYER. It seems to me we have been talking about education——

Mr. WEBSTER. Education.

Mr. DWYER [continuing]. As a preventative for drug abuse, going back when I was a mayor, which is over 20 years ago, it seems that the whole problem is increasing.

Mr. WEBSTER. We need to do a better job. We see some decline in marijuana consumption among people because there has been within the last five years a major educational effort. We didn't have any information before. Peter Bensinger used to wring his hands when he was DEA administrator because they kept saying it was harmless. He would say, "I know it isn't harmless." The stud-

ies are just coming in now showing the permanently harmful effects of marijuana and that message is just reaching the children and they are not using it. I don't want to lay our law enforcement problems off on demand, but the demand feeds supply. We have seized more, destroyed more shiploads of cargo of this illicit cargo coming over here, wrapped up more major rings, like the Sicilian pizza connection activity, and heroin in New England and in New York, and still it comes, and it will come as long as people want it and are willing to pay for it.

Mr. DWYER. Thank you. Thank you, Mr. Chairman.

APPLYING NAUSEOUS AGENTS TO DRUG SUPPLY

Mr. SMITH. There is an easy way, it seems to me, to do that. We have talked about it over the years and nobody wants to do it. You infiltrate the supply line, and if you just inject some chemical that nauseates the user——

Mr. WEBSTER. I can't fault that, because I could never understand what all the screaming was about when Paraquat was being used.

Mr. SMITH. That has a permanently harmful effect, but it had an effect on users too. Demand fell off, didn't it, for the only time?

Mr. WEBSTER. There were limitations put on aid funds to other countries. Actually, it has been found to be not harmful. They were afraid it was harmful. It makes people nauseous but there is no permanent damage.

Mr. SMITH. There are chemicals that make you nauseous that won't permanently hurt humans. People aren't going to use it if they don't know when they buy it whether or not it is going to make them nauseous.

Mr. WEBSTER. In cocaine, which I guess is our biggest long-term problem—it is the biggest growth industry in drugs right now, with more and more people thinking they can afford it, when previously they thought they couldn't—something that carries a risk factor with it will carry a strong note, because the so-called intellectual crowd that leans to cocaine will listen to that kind of information.

ILLEGAL IMMIGRATION

Mr. SMITH. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman.

Mr. Director, one of my colleagues from California just mentioned at lunch in California, that the absence of a good immigration law is making a big impact on crime.

Mr. WEBSTER. I don't know how many good, hard figures we have that track immigration of illegal immigrants to crime. We do know that certain kinds of immigrants create a lot of crime. The Mariel leaders that came over from Cuba were criminals, and very bad Cubans at that, and created enormous problems for us. The Haitians who came over were so economically deprived that they had very little else to do; they couldn't get social aid, except to rob and steal and commit other crimes, and that presented a problem, especially in south Florida. I am not in a position to say that the illegal immigrants are increasing our crime rate. I don't know that to be true. It is very possible that it is to some degree, but we have

had a long experience with them, and I don't know that that is a major problem for us.

Mr. REGULA. He indicated in his conversation there was a growing dimension to the problem in southern California.

Mr. WEBSTER. I am sure that it is, and sometimes these flows of immigration create crime in unusual ways. In Honolulu, the most peaceful law-abiding people when I was there in 1950 were the Hawaiians. With the immigration, the lawful immigration of various Oriental groups, who are more aggressive and who pushed into positions of employment, vast economic dislocation was caused for the Hawaiians, and the street crime rate is now largely attributable to Hawaiians. The same thing has been true, I understand, in Florida, where the Cubans displaced largely black service employees in hotels, restaurants and so forth, which is a big part of the economy down there, resulting in more crime from unemployed groups in that area.

VOICE PRIVACY COMMUNICATIONS

Mr. REGULA. You note in here about the need for communications. Are you making an effort so that there is a coordination with DEA and the other agencies that you don't operate on two separate wavelengths, such as the military did in Grenada?

Mr. WEBSTER. We are, and it is a problem. We start off with the FBI using VHF and DEA using UHF, plus all those repeaters in stations out there across the country. The Marshals Service has its own little system and it isn't a good one. They needed some help, so we have been approaching the problem. As I mentioned earlier, we have 900 joint task force investigations going in drugs. We have to be able to talk to each other as we are moving. We have a test bed in Boston in our DEA and FBI offices utilizing this new equipment that we think will effectively permit all of the communication that we need between agencies, and yet provide for private communications, so that other agencies which are worried about spreading information beyond its boundaries don't have to be concerned about it.

POLYGRAPH EXAMINATIONS

Mr. REGULA. One last question, and maybe you won't want to answer it. What is your assessment of polygraph results as to accuracy?

Mr. WEBSTER. Well, it is still an art form. It is not scientifically precise to the degree that courts will allow it to be introduced as evidence, but it has been an enormously useful tool for us in criminal investigations. A surprising percentage of people who submit to polygraphs will break down and give admissions while they are on the machine or even before they have been strapped into the machine. There is something about it that tends to produce truth in that way as well as through what the needles tell. In addition, we have very skilled examiners who are not just examiners, they are investigators, and they pick up on indications of deception and work with the individual and they get information in that way.

When we switch over to applicants and screening and auditing—much as I believe we must have it in the national security field in the sensitive compartmented area, and for those of us who carry those secrets around to reduce the risk of moles or people being in place too long, giving out information for too long—much as I think we have to have it, to date the tests indicate it is not as reliable under those circumstances. It is measuring pain in one form or another, that is emotional pain, by the different bodily functions, and in the screening process that is not detectable as where you are a specific subject and the questions are coming right at you and the machine tends to give you a more reliable indicator.

It is in the end the best we have got in a scientific way to deal with this kind of a problem. I don't think we should expand it in enormously wholesale ways, because I don't think it is that good. And it would be a different kind of society if everybody had to climb on that machine. But I do think for certain kinds of people entrusted with certain highly sensitive information, including myself, and in the FBI starting with me, we should be prepared to give up a little of our privacy in order to assure the safety of those secrets.

Mr. REGULA. Is the skill of the operator a key factor?

Mr. WEBSTER. It is very important. In fact, the FBI—and other agencies do not follow this, and I think they should—but the FBI has a policy of reviewing every single polygraph report at Headquarters. The field examiner is out there. He does the best job he can, and then the whole thing is pulled back and reviewed by our best experts, to be sure that the report has not been misread. And if it is thought to be inconclusive, or if it is thought to be erroneously reported, we order another one, and in that way we think we have reduced the human error factor.

Mr. REGULA. Thank you.

Mr. SMITH. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Director, before I say anything else, let me say what a lot of us have thought for some time, and that is that you have done a marvelous job of restoring the confidence of the American people in the Bureau.

Mr. WEBSTER. Thank you.

Mr. ROGERS. That has been a monumental achievement and one that we are very proud of. We thank you for that.

SUPREME COURT RULING ON THE EXCLUSIONARY RULE

What effect, if any, has the new Supreme Court ruling on Miranda done for you? Has that been a significant help to you?

Mr. WEBSTER. I don't think we can measure it yet. Certainly the provisions relative to—I think you are talking about the exclusionary rule, are you not?

Mr. ROGERS. Yes.

Mr. WEBSTER. I think those provisions tended to bring a sense of balance back into the court system, and the population that we thought had turned the criminal justice system on its head is now recognizing that things are not quite as bad as they had been.

In actual numbers, the amount of evidence that is excluded as a matter of record is not terribly significant. We can't measure. We can't add in there all the cases where the prosecutors decline to prosecute, for fear of losing the evidence. It gives the police officer, and our agents, confidence, that if he relies on a warrant that a magistrate has given him after the evidence has been submitted, and he hasn't lied to the magistrate, in other words, he has told him everything he knows, and the magistrate gives him the warrant that the evidence isn't going to be thrown out just because the magistrate missed something along the way.

The rule was in there to keep police from abusing their authority, and this allows for the good-faith efforts of police officers to comply with the facts and the rules as they know them, so I think it has been a healthy thing. I have never thought that the exclusionary rule was a problem with crime, but I have thought it was a major problem with how the American people thought about their criminal justice system.

FOREIGN SUPPLIERS OF NARCOTICS

Mr. ROGERS. I have been to those hill tribes out there in upper Thailand with our Select Committee on Narcotics here in the House.

Mr. WEBSTER. They are not convinced, are they?

Mr. ROGERS. They are not even sure what it is. And also in Pakistan and Burma, and in spite of all that we have done, the money we have spent in efforts to get those people to grow something else, when you stamp it out in Turkey as we did, it merely moves to another location. I understand now that Iran is a major grower of heroin.

Mr. WEBSTER. I believe that is true.

Mr. ROGERS. It is probably the world's largest supplier of heroin. Obviously we can't do anything inside Iran to persuade them to do something else. And we have huge supplies of drugs in spite of heroic efforts on your part and on everybody else's part through interdiction. We seized more last year than we ever did, year after year that is true. We seize more than we did in the previous year, and yet we are being flooded with narcotics, so we are not going to stop the problem cutting it off where it is grown and cutting off the traffic into the country. As you suggest in your earlier answer, the only way we are ever going to get a handle on the problem, if ever, is to somehow stymie demand and make it unacceptable, which we are beginning to do in my case, unfortunately, about tobacco in this country.

If only the AMA would get concerned about cocaine.

Is there a Federal role that you see that we are not fulfilling for getting at the demand problem for drugs?

Mr. WEBSTER. I think the Federal role is a little like leading the horse to water. I think that we have got to be sure that avenues of education are open, and that the Federal Government supplies all the documentation on the dangers and the consequences of drug use, to our citizens, and we have got to mobilize at State, Federal and local levels citizen concern and awareness to deal with the problem, and to get that information down where somebody will

pay attention to it. It doesn't do much good to file it in the Library of Congress. It has got to be understood.

Mr. ROGERS. Who does this?

Mr. WEBSTER. Well, currently——

PRIVATE SECTOR INVOLVEMENT IN DRUG EDUCATION

Mr. ROGERS. Who should be doing this? Do we need a new Federal program of some sort?

Mr. WEBSTER. I don't know the answer to that. I would like to think that we don't. I would like to think that we can provide the vehicle within our system, perhaps by getting the private sector. I think some of that leadership is coming from Mrs. Reagan, for instance, in getting the women, first ladies and others, actively concerned and involved. I think in the end it would have more effect—you can't lay something on the American, you have got to give them the information—but in the end the citizens themselves have got to do this at the local level.

TRANSIT NATIONS BECOMING DRUG USERS

Interestingly enough, in some of the countries that were kind of ho-hum about drugs, which were transit points for drugs, suddenly they are finding that they are now becoming user countries. Italy, for example, and all at once——

Mr. ROGERS. Pakistan.

Mr. WEBSTER. There is great deal of interest. Pakistan. I met with the Minister of Justice of Spain last week. They are getting very much interested because it is a very easy way for the South American and Central American countries to ship into Spain, and Spain is finding that the user level is going way up. So the joint groups that are being formed now at the ministerial level, with the Attorney General, the Minister of Interior of these countries and joint working groups with the law enforcement communities are beginning to produce substantial cooperative efforts, such as in the pizza case, that we didn't have before.

I think one of the reasons is they are worried about consumption in their own country. If the narcotics were just going through and up and out and a few people made some money as it went through their country, there would be less interest. But they are seeing their countries now becoming users.

Mr. ROGERS. Do you see an increased potential for narcotics coming out of Mexico?

Mr. WEBSTER. Yes.

Mr. ROGERS. In view of the economic situation?

Mr. WEBSTER. Yes, I do.

Mr. ROGERS. Have you been able to measure that in any sense?

Mr. WEBSTER. We have a joint working group right now with the Mexican authorities. It was scheduled to meet next week but unfortunately has been postponed. We will have another one.

Mr. ROGERS. Have you seen any results after having identified some people?

Mr. WEBSTER. Yes.

Mr. ROGERS. In closing, congratulations on the Mafia success you have had, and best wishes.

Mr. WEBSTER. Thank you very much.
Mr. ROGERS. Thank you, Mr. Chairman.

VOICE PRIVATE COMMUNICATIONS

Mr. SMITH. You are developing this voice privacy radio system. You are going to develop it, but also the DEA and the Marshals Service will use it?

Mr. WEBSTER. That is correct, Mr. Chairman. We are already into a committed area. As I mentioned, we will have systems installed or equipment procured for 36 offices by the end of this year, but it will require some adjustments to accommodate the needs of each agency until we can get a common system. The Marshals Service is not as big a problem because of its size, but it is a cost-beneficial effort to bring them into the system. It will broaden their capacity to communicate privately almost anywhere in the country, and DEA and the Marshals Service are working with us on this. This is not just something we are doing to them.

Mr. SMITH. Are you buying equipment off the shelf?

Mr. WEBSTER. Yes, we are.

Mr. SMITH. Do you buy for the other agencies?

Mr. WEBSTER. That is the end objective for some of it. Down the road when we get our budgets in place, that will be the end. Our end objective as a part of the integration of the DEA and FBI mission, we will be coming to you with a common———

Mr. SMITH. They are working I think fairly diligently. Within the foreseeable future they expect the microelectronics field to have equipment that is virtually static-free and so forth. When that comes out, will you want that?

Mr. WEBSTER. Well, we want to stay as close to the edge of this type of technology as we can, and this is true of ADP as well. We find that operating out-moded equipment is poor economy. It costs more to operate than it does to replace it.

Mr. SMITH. Is there a lot of equipment now that will just have to be replaced?

Mr. WEBSTER. No, there is not. I think in this particular area we have real state of the art.

Mr. SMITH. It still has a lot of static, doesn't it, short-range static?

Mr. BAYSE. In the new digital voice privacy that we are procuring from the Motorola Corporation that we used extensively through the Olympics and we have used through our surveillance squads which have the most intensive application radius, it has been good. There are some changes in the voice quality over the old radio system that we had, because of the nature of the technology, but it has proved a satisfactory type of radio, and whatever technology that comes along that is available to improve that, and it is coming, we will insert that. We have taken into account computerized modular digital radio and the technology is flexible enough and the configuration is flexible enough, we can have better security if we have to, and we can add technology in the form of better microelectronics.

Mr. SMITH. I am not so sure that is cheaper. I found out, I had a knob go wrong on my radio and it cost me less to buy a new one.

Mr. WEBSTER. That could be. I think we are using Motorola shelf equipment, having tested everything in sight, and the people that are using it are very, very pleased with what we have.

DEFENSE DEPARTMENT VOICE PRIVACY EFFORTS

Mr. SMITH. The Defense Department is not satisfied with the equipment. They are going ahead and developing some equipment that they say is far superior to what they are using.

Mr. WEBSTER. We knew when we first started coming to you with a major program we were probably talking a couple hundred million dollars overall before we finished. We did not want to come to you with something that was strictly R&D-type equipment that we would get halfway into the program and find that we had bugs to scrap, like the airplane I was reading about in the paper this morning. We wanted to come to you with a request for money that would not only be well spent but represented tested and proven equipment.

Mr. SMITH. How soon will it be functional?

Mr. WEBSTER. Well, we will have systems installed or equipment procured for 36 offices, and some are already functional. We have been putting them in for the offsite locations for the teams that have to keep track of mobs and dangerous fugitives and so on, but we will have procured equipment for 36 field offices by the end of this year. We will have procured equipment for 36 offices, but we have eight in place.

Mr. BAYSE. There are eight in place, and all the surveillance squads and special surveillance groups are in place. Los Angeles has been running satisfactorily since 1984, and we will be implementing another 15 this year.

Mr. WEBSTER. In place?

Mr. BAYSE. In place.

Mr. WEBSTER. And equipment for 36 in total will have been procured.

STATE AND LOCAL TRAINING

Mr. SMITH. What about charging state and local police for training?

Mr. WEBSTER. What would you like to know, Mr. Chairman?

Mr. SMITH. Are you for that or is it going to work? What is going to be the result, and is it authorized?

Mr. WEBSTER. It is not authorized. You are talking about field training.

Mr. SMITH. At Quantico.

Mr. WEBSTER. At Quantico. It is not authorized in the current budget. It was an Administration decision to seek reimbursement for the approximately $4 million that we spent on that project. Mr. Chairman, my public record is too clear and too long-stated on this for me to misrepresent my own position, but it is a part of the Administration's determination to try it the other way, and of course we will support whatever they have decided.

I have concerns about it. The Attorney General knows those concerns, but we are not trying to torpedo the——

Mr. SMITH. What about your overall FBI authorization; what do you see happening there?

Mr. O'BRIEN. Will the gentleman yield? I think in one of my questions to you we touched on this a little bit. If I recall correctly, your impression was that enforcing this particular regulation as stringently as it might be would simply deprive the officers and departments and the agencies out in the field that most need the FBI help and training opportunity to get it. Would it not be advisable to have some little area of velvet in there, even if only to permit you to make a judgment call as to who would be financed and who wouldn't. That is not going to be a hard thing to administer. What do you suggest?

Mr. WEBSTER. I don't know to what extent that offends the Administration's policy. Certainly I do have real concerns about those law enforcement agencies that need it and aren't going to pay for it. I think back when we used to be asked about our policy in bank robbery. "When are you going to get out of bank robbery?" And we were not trying to get out of bank robbery, but we were trying to see bank robbery capability growing out in the state and local organizations. About that time in Kentucky we had a bank robbery where the bank robbers stopped first at a little town and went into the police department and tied up the police officers, and then they went next door and robbed the bank.

You know we have to step in where they can't perform. I understand all the policies, but occasionally we have to take into account the helpless or the near helpless.

Mr. O'BRIEN. Equity. Thank you, Mr. Chairman.

1987 AUTHORIZATION BILL

Mr. SMITH. What is your authorization? Do you see it moving or not?

Mr. HUGHES. Our recommendations for the authorization for the fiscal year 1987 Authorization Bill are pending at the Department. They will be transmitted up to OMB and then to the Congress.

Mr. SMITH. Can you tell us anything about it, any better chance getting it through this year than last year?

Mr. WALLACE. Yes. In fact, we are more favorable this year than we have ever been as far as the timing of the authorization and the nature of it as well. This year we have given it to an earlier process of consultation with the FBI and other agencies. We have that package together. The Attorney General is reviewing it now. The new Department Resources Board is set to approve it on Thursday of this week, and it should go to OMB. Assuming quick and positive review there, we are hopeful of getting it to the Hill as early as next week, which will be the earliest we have gotten it here in the last five years, and that will be around the time when the Attorney General will testify before the House.

Mr. SMITH. This year, after May 15 we are free to go ahead with our appropriations bills, and we are going to finish our hearings in April. I don't see any way that they are going to get that authorization through on the floor before we mark up this bill. Is it a one-year authorization?

Mr. WALLACE. There are some portions of it, as they indicated earlier in their testimony, that we would like to see made more permanent than on an annual basis, and there are sort of standard provisions that they and other agencies need every year, year in and year out. There are other provisions that we have split off and away from that that would require annual reauthorization.

Mr. SMITH. It is not that just some need to be permanent. There ought to be none of them that are for less than three years it seems to me. Then maybe we can get ahead of this thing for once. We have this difficulty every year when we mark up this bill of do we include unauthorized programs or don't we. If we do, somebody may strike them out on the floor on a point of order. If we don't, why, we don't want to leave them out. I hope that we could get authorization for these. Mr. Early.

AGENT RECRUITMENT

Mr. EARLY. Mr. Director, do you know if they are going to address the inadequacy of the pay of the agents? Are they going to cooperate on that?

Mr. WEBSTER. I don't think so.

Mr. EARLY. I think that is grossly wrong. I can't understand that. Are you still demanding or requiring law degrees or accountants degrees for recruitment?

Mr. WEBSTER. No, we are not. We require a four-year degree from a four-year accredited university or college, plus either a degree in law, a degree in accounting, a degree in language or science that we need, or three years of executive-type employment elsewhere, in addition to the college degree.

Mr. EARLY. In addition. But you are not recruiting any agents that are not college graduates?

Mr. WEBSTER. None.

Mr. EARLY. Would you supply for the record, the last thousand agents you recruited, and how many were lawyers and how many were accountants?

Mr. WEBSTER. I will be happy to.

[The following information was submitted for the record:]

Lawyers and Accountants Recruited Since FY 1983

The FBI's recruitment and selection programs operate on a nationwide and continuous basis. For our statistical purposes, we count an individual "recruited" as one who takes our entrance level battery of tests. Although many of the individuals seek us out for information about career opportunities, only those that actually test are counted. Therefore, going back over the last 1,010 tests received at FBI Headquarters (dating back to last 1/14/86) 33 of that group are accountants and 137 are attorneys.

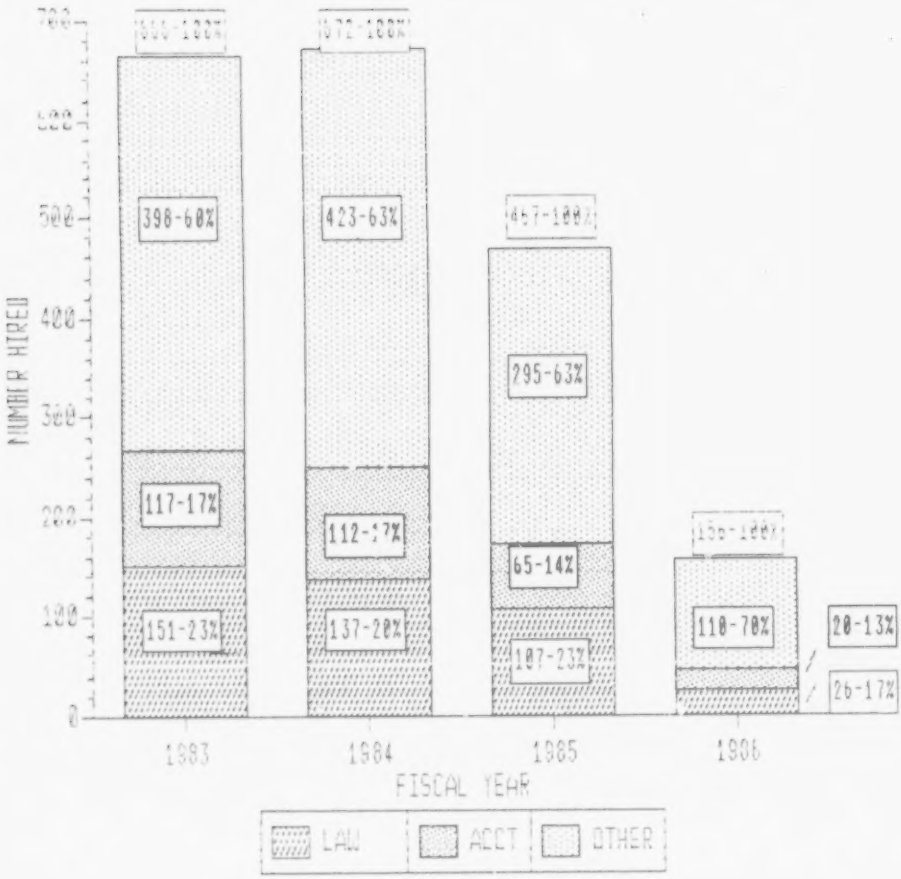
Going back to the last 1,017 Special Agents hired (dating back to 1/23/84), the FBI has hired 121 (12%) accountants and 228 (22%) attorneys.

Attached are charts illustrating the numbers and percentages of hiring of lawyers and accountants. Further the total number of lawyers and accountants in the FBI agent complement has grown from 9/30/82 to 3/12/86 as shown in the following table:

	9/30/82	9/30/83	9/30/84	9/30/85	3/12/86
Accountants	1,017	1,115	1,187	1,215	1,225
Lawyers	962	1,122	1,211	1,260	1,270

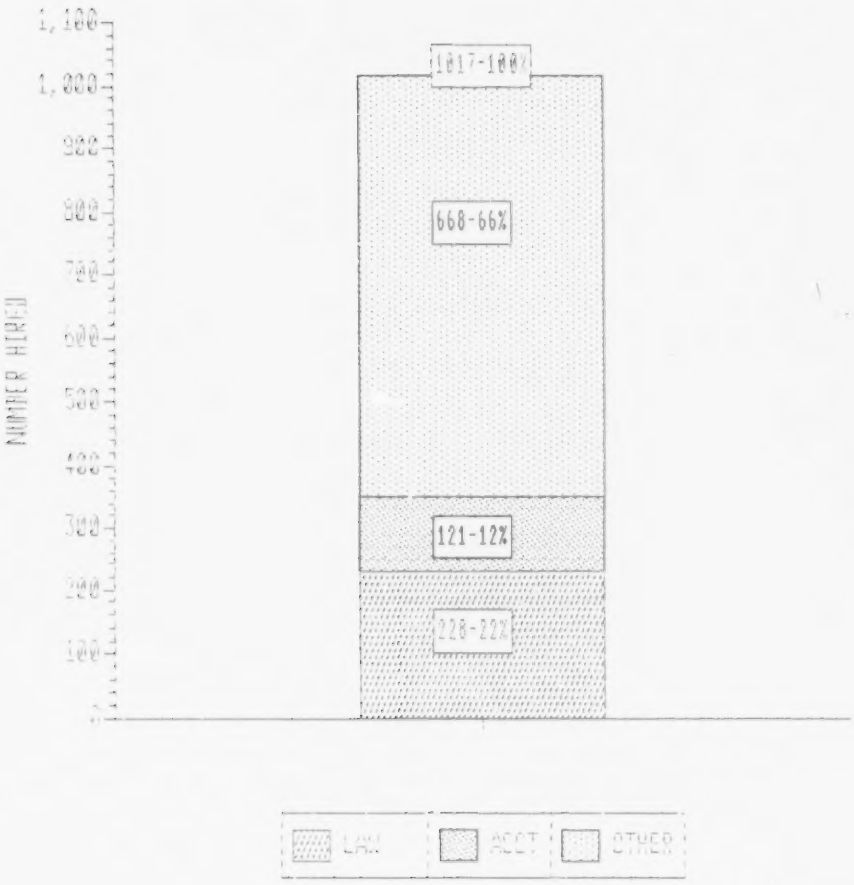
59-584 O—86——10

SPECIAL AGENT ACCOUNTANTS AND LAWYERS
HIRED BETWEEN FISCAL YEARS 1983 THRU 1986 57b
AS OF 3/1/86



LAST 1000 SPECIAL AGENTS HIRED
1/23/84 - 3/1/85

57c



Mr. EARLY. I am concerned about the 200 vacancies with that big influx of retirees you are going to have all at once. Do you wait until you have a certain number of vacancies before you recruit, or do you recruit daily?

Mr. WEBSTER. We are recruiting daily, and screening daily. We have a 12,000 base in our computer of qualified applicants.

Mr. EARLY. Do you recruit the classes, Mr. Director, or do you recruit by ones and twos, or do you have to get a class of 100 or 200?

Mr. WEBSTER. We start with a base. We recruit from all over the country. When we have those who are qualified and who meet our minimum qualifications, they are stored in the computer. Then as we make up each class, and we do this way out in front, we survey the field to find out what our needs are, including minorities, females, scientists, linguists, lawyers, and so on, and then we make up the class from the pool. Now the pool is being filled at the rate, of 800 a month in terms of applications coming in. We are not employing at that level. We are employing at the level three to five hundred a year.

Mr. EARLY. When do you expect to fill these vacancies that you are holding off on now because of the 4.3 percent cut?

Mr. WEBSTER. It depends a lot on what is done with 1987.

Mr. EARLY. When was the last time you hired?

Mr. WEBSTER. We are hiring on a regular basis.

Mr. HUGHES. We have a hiring plan that is constantly updated, but we are hiring for classes throughout the year on a monthly basis.

DRUG TESTING

Mr. EARLY. Tell me, Mr. Director, I am sure any big agency has some problem with drug use among your own agency. Do you do any testing among your personnel?

Mr. WEBSTER. We are not currently testing for drugs. We expect to test for drugs.

Mr. EARLY. Do you provide any written questionnaire to all personnel that asks whether they are using drugs?

Mr. WEBSTER. We do that with respect to new agents, and we screen for prior drug use. We go into that extensively, and if there is any indication of deception we use the polygraph to verify the statements. We do have allegations from time to time, and those are thoroughly investigated, but we will be drug testing. We are letting DEA carry the research forward, and I just saw the last report at the end of last week from Administrator Lawn. And we will join DEA in a testing program as an exercise of leadership. Because we are in this business, we are supposed to be enforcing the laws, and we want to demonstrate that our agents are free from drugs.

GRANTING OF IMMUNITY

Mr. EARLY. One final question, Mr. Chairman, on immunity—can any independent agency or regional director give immunity to any individual without your permission?

Mr. WEBSTER. No.

Mr. EARLY. So it all comes back to you. In any cases have we given immunity to a witness where we let him keep any of his possessions?

Mr. WEBSTER. It actually doesn't come back to me. It comes back to the United States attorney who grants immunity through the grand jury process.

Mr. EARLY. That is not encouraging to me, Mr. Director.

Mr. WEBSTER. I think that is the law.

Mr. EARLY. Is it?

Mr. WEBSTER. I am just following the legal process.

Mr. EARLY. They will give immunity to anybody. We are catching the little fish and letting the bigger ones go, because U.S. Attorneys in my opinion, which I told Mr. Meese this morning, are just out to build their own record. This is really a threat to justice.

Mr. WEBSTER. There are a lot of techniques that we use that can be very effective, and they can also be misused by people who don't understand them, and I think immunity is one of those useful tools that is often overlooked.

Mr. EARLY. It certainly is.

Are you familiar with the Lepere case, which I think involved both DEA and FBI?

Mr. WEBSTER. I don't recognize it by that name.

Mr. EARLY. Frank Lepere who you just gave immunity, and you ended up catching Assistant U.S. Attorney Twomey?

Mr. WEBSTER. Yes.

Mr. EARLY. He had a big chateau up in New York that he owned. Specifically, I want to know, and you can supply it for the record, whether he is allowed to keep this through his immunity.

Mr. WEBSTER. I hope not.

Mr. EARLY. You give immunity to Lepere. I am a layman. Mine are newspaper reports. He was one of the biggest dealers we ever had, and we are going to let him go.

Mr. ROGERS. Picky, picky, picky.

Mr. WEBSTER. I get emotional about that, too, and in individual cases I am not in a position to second guess the prosecutor, but I do think that the public has trouble understanding why a drug dealer goes free. But there is a principle at work that is an important one, and that is, it is important to root out of the law enforcement process, the criminal justice system, those who are betraying their trust in the area they are sworn to protect, and sometimes that comes at a very high cost. This may be one of those times.

Mr. EARLY. There is no way that I will in any way suggest that any abuser within the Agency isn't the biggest abuser of all, but this particular individual was a principal supplier, and he is going to be walking in the streets. You have got immunity to an Israel Katz that is devastating. It really bothers me. I would appreciate it if you would check that Lapere, to make sure that the immunity isn't granted.

Mr. WEBSTER. So he is sitting up there thumbing his nose at the rest of us, yes.

Mr. EARLY. I don't mind if he is just thumbing his nose if he is not back in his chateau. I assume that the FBI was involved in that arrest where we had helicopters and everything else?

Mr. WEBSTER. I think we were.

LATENESS OF AUTHORIZATION BILL

Mr. EARLY. Finally on the authorization. Are you having any input on authorization? I really can't understand, after the chairman's last question, how authorization is not up here already. I know that it is not you, that is the Justice Department, but that is inexcusable. We are going to mark up the bill. Why don't we just abolish our position if we are not going to conform with it?

I have no further questions.

Mr. DWYER. No questions, Mr. Chairman.

Mr. SMITH. If we put that guy in jail, it costs us $50,000 a year for the rest of his life and he won't live very long.

Mr. EARLY. He will live forever.

Barnes, I hadn't heard him testify in any case. Isn't he in the immunity program, Leroy Barnes?

Mr. WEBSTER. That doesn't mean anything to me.

Mr. EARLY. He was the major drug dealer arrested in New York.

Mr. DANIELS. Micky Barnes in Newark. He is in the witness program and he has testified.

[The following information was submitted subsequent to the hearings:]

FRANK JAMES LEPERE

Information regarding the criminal activities of former Department of Justice Special Attorney David Patrick Twomey came to light in a Boston FBI investigation entitled "Frank James Lepere—DEA Fugitive; Richard Bransfield Kirvan—DEA Fugitive; et al., RICO—Narcotics." Following the arrest of Lepere, he provided information that eventually led to the indictment of Twomey for Conspiracy, Bribery and Obstruction of Justice. Lepere was afforded immunity as a condition of his testimony.

Contact with the Boston Office on March 5, 1986, indicates that subject Lepere did own a residence valued at over one million dollars in the Finger Lakes region of New York State. Boston advised that the U.S. Attorney's Office, Boston, Massachusetts, had instituted forfeiture procedures and the above described residence has been forfeited to the U.S. Government. This investigation was a joint FBI/DEA investigation.

Mr. SMITH. Mr. Rogers.

COMPUTER EQUIPMENT FOR INS

Mr. ROGERS. One final question, Mr. Chairman.

I understand that the FBI has investigated a recent controversy concerning the Immigration and Naturalization Service procurement of computer equipment. Can you tell me the status of that investigation?

Mr. WEBSTER. No, I can't. Is it an ongoing investigation? I am not aware of the status of that particular inquiry.

Tony, are you aware of the INS computer investigation?

Mr. ROGERS. The status.

Mr. DANIELS. I am not familiar with that.

Mr. ROGERS. Can you find out for me?

Mr. WEBSTER. I will.

Mr. ROGERS. I guess what I am looking for is when are you going to finish it? I don't need to know the details. I just want to know if something is happening. Is it on its way toward some conclusion?

Mr. WEBSTER. I will have to let you know because I haven't been following it.

Mr. ROGERS. Do you know whether or not there has been disciplinary action taken against anybody within the department based on actions or inactions in that matter?

Mr. WEBSTER. No, I don't. I really am not familiar with the details of that matter.

Mr. ROGERS. Are any of your aides?

Mr. WEBSTER. It is not ringing any bells. Maybe it is some other agency investigation.

Mr. ROGERS. Quickly, on the Immigration and Naturalization Service, they put out bids for the ADP system for the whole department, and there was some mix-up about whether or not IBM or EDS had the appropriate bid, and the contract was awarded to IBM only after IBM had secretly met after bid closing with INS personnel, contrary to regulations, and then a lawsuit resulted, a civil lawsuit and injunction, and then there was an out-of-court settlement. EDS got the contract but with IBM machinery. That is sort of generally the type of case. No one knows anything about it?

Mr. WALLACE. I know a lot about it from the Department side. I doubt that they can——

Mr. WEBSTER. Are we in this at all?

Mr. WALLACE. I don't think they are yet.

Mr. ROGERS. Are they into it?

Mr. WALLACE. I don't personally know if they are into it yet, because anytime you would have misconduct alleged by a Federal employee, the Office of Professional Responsibility, the Audit Staff will meet most likely, investigate it first, and we would refer it to the FBI if there is a need to do it.

Mr. ROGERS. So it is your understanding that the FBI is not conducting any investigation?

Mr. WEBSTER. Not at this time. They have to make a decision at some point whether it is going to be a criminal investigation or administrative investigation. If it is criminal it will get to us, but we don't seem to have it.

Mr. ROGERS. That is all, Mr. Chairman.

[The following information was submitted subsequent to the hearing:]

COMPUTER EQUIPMENT FOR INS

The Bureau investigation was initiated on July 19, 1984, based upon information received from the Office of Professional Responsibility (OPR), Immigration and Naturalization Service (INS), Washington, D.C. According to INS, in 1983, a computer software contract in the amount of approximately $25,000,000 was let. It was alleged that illegal activities may have influenced the award process of the computer software contract and may have influenced the selection of certain subcontractors.

During the investigation, numerous individuals were interviewed and records reviewed. Such investigation failed to develop sufficient evidence to corroborate the allegations.

On September 30, 1985, the United States Attorney (USA), Washington, D.C., declined prosecution in this matter. The declination was based on the fact that information developed did not support the allegations. Based on the declination, the case was closed.

Mr. SMITH. Thank you very much.

Mr. WEBSTER. Thank you, Mr. Chairman.

Mr. SMITH. We have some additional questions which we shall submit to you and you can supply the answers for the record.

[The questions and the answers thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

FEDERAL BUREAU OF INVESTIGATION

Savings from Management Initiatives

QUESTION:

Your budget request reflects a reduction of 38 positions and $948,000 associated with savings from management initiatives. What are the specific provisions and programs affected, why were they selected for this reduction, and how will the reduction be accomplished?

ANSWER:

A total of 18 positions will be from the vouchering function of the Administrative Services Program and 20 will be from the Records Management Program in the name searching function.

Both of the functions within the two programs were selected for productivity studies because of ongoing automation efforts within the two areas. Although neither study has been completed, the reductions were imposed in the anticipation of savings resulting from the studies.

The reductions will be accomplished through attrition or transfer of employees to other programs in need of personnel.

General Support Positions Enhancement

QUESTION:

You are requesting an increase in FY 1987 for 469 additional general support positions. Why is there a need for these additional resources, what has caused the need, and in what programs is the need most acute?

ANSWER:

The FBI's increased allocation of resources to national priority programs of Terrorism, Organized Crime, White-Collar Crime and Foreign Counterintelligence has significantly increased the workload of our general support employees. These complex investigations have a domino effect on the administrative support required for filing, indexing, transcribing and typing tapes and additional evidence handling. The development of innovative investigative techniques and computerization of priority investigative program data have made it necessary to develop specialist positions, such as the Organized Crime Information System and Intelligence Information System analysts to review, analyze and evaluate investigative data. It has also become necessary to have electronics technicians to maintain these systems. These specialist positions have come at the expense of our field office general support. Our funded general support for our field offices are still below what they were in 1979.

Other specialist positions created due to increased responsibilities include Investigative Support Information System analysts, forfeiture

analysts, property custodians, miscellaneous document Examiners, electronic surveillance activities file assistants, and computer assistants.

The growth in the FBI's pending investigative matters and workload has resulted in an increase in the volume of routine and expedite correspondence to be typed and tapes to be transcribed. The number of delinquent routine pages to be typed has grown from a biweekly average of 14,309 in 1984 to 17,597 in 1985. The biweekly average of delinquent pages of tapes to be transcribed has increased from 43,421 to 73,449 during the same period. This expanding backlog of work presents a severe impediment to the timely conduct of investigations and the preparation of reports for prosecutors.

We expended $4,407,304 in field office support overtime in 1985 in attempting to address these delinquencies. This is equal to 304 additional support employees at the GS 5 Step 1 salary of $14,390.

We were unable to use additional overtime due to budgetary considerations.

The following have contributed to the deficiency in general support workyears:

The increased use of electronic surveillance (Title III's, Foreign Intelligence Surveillance Act, and consensual monitoring) as an investigative tool has added to the workload of our field general support. Use of this investigative technique has increased due to our increased allocation of resources to Narcotics, Foreign Counterintelligence, and Terrorism investigations. This investigative technique creates additional work for our typists, ELSUR clerks, filing, indexing, Organized Crime Information System analysts, Intelligence Information System analysts, Investigative Support Information System analysts, mail clerks, evidence clerks, photographers, and auxiliary field offices.

On January 21, 1982 the Attorney General delegated to the FBI concurrent jurisdiction with the Drug Enforcement Administration (DEA) for investigations of violations of the Controlled Substances Act. Subsequently, on October 14, 1982 the President of the United States announced a major initiative to supplement ongoing efforts against organized criminal groups dealing in drugs. This initiative included the formation of 12 area Organized Crime Drug Enforcement (OCDE) task forces flexible enough to cover the United States. A 13th OCDE area was designed in 1985. Although we received an allocation of 360 Special Agents for these task forces in 1985, we received no commensurate increase in general support.

Regional computer support centers have been established at Ft. Monmouth, New Jersey, and Pocatello, Idaho. These centers are part of the Field Office Information Management System (FOIMS) which is being developed to assist with the modernization and automation of the FBI. Funding did not exist to fully staff these centers; therefore, 95 workyears were drawn from the field general support.

The FBI has requested sufficient general support positions in the past; however, these requests have not been totally approved, even in program areas that have received large enhancements of Special Agents.

It should be noted that general support personnel are not allocated based on any specific program. While the budget process lends itself to the allocation of resources by program, the duties of a general support employee cover all programs.

The following are day-to-day activities, critical to every field division, that are handled by general support employees:

General office duties, e.g., receipt, dissemination and packaging of registered mail and disposal of confidential trash; investigative file maintenance; telecommunications, e.g., radio dispatch, National Crime Information Center system, State law enforcement computer system, switchboard and teletype; evidence matters; Field Support Accounts and voucher matters; time and attendance; security patrol; photography; secretarial duties; receptionist duties, general typing and confidential tape transcription; and Freedom of Information/ Privacy Act requests.

The FY 1987 President's budget mark cites field general support needs as being associated to the programs listed below:

	Workyears	Positions
Civil Rights/Applicant	30	35
Organized Crime	90	108
Organized Crime Drug Enforcement	34	40
White-Collar Crime	98	117
Domestic Terrorism	40	49
General Crimes (Fugitive)	100	120
Total	392	469

QUESTION:

How has the shortage of general support staffing impacted the preparation of cases for trial?

ANSWER:

The entire process from the time the FBI initiates an investigation to the time an indictment is returned is being delayed due to a shortage of general support employees. Indictment returns, as well as the discovery process, are delayed from the initial receipt of the complaint through the administrative process of file maintenance. Current case filing is critical and essential in pretrial preparation, as documents are needed for preparation of affidavits, search warrants, or conferences with the United States Attorney's Office. Extensive indexing and filing are required to maintain and retrieve appropriate documents.

A serious backlog of work has been created by the expansion of high-impact cases. Specialized support positions have been created to

assist the investigator with these cases; however, these specialized positions are staffed from the general support complement with no replacements. Delays are being experienced in the transcription of consensual monitorings and Title III tapes, as well as Interview Report forms (FD-302s), affidavits and search warrants. During FY 1985, 46 percent of the routine pages on the books fieldwide, which include prosecutive reports for the United States Attorney, and 86 percent of the tape transcription workload were reported in a delinquent status.

Chain of custody and time requirements for the handling of evidence, tapes and seized property are also seriously affected by the lack of sufficient personnel.

The possibility exists that cases currently under investigation may not be completed in order to obtain an indictment prior to the expiration of the statute of limitations.

These investigations have led to the increased use of electronic surveillance (Title III and consensual monitoring) as an investigative tool. Narcotics cases are manpower intensive and create additional work for the following:

- Auxiliary Offices
- Typists - Routine/Expedite/Tapes
- File Assistants (Electronic Surveillance)
- Filing
- Indexing
- Mail Clerks
- Organized Crime Information System Analysts
- Evidence Control Specialist
- Forfeiture Specialist
- Photographers
- Confidential Files/Field Support Account Clerks

Artificial Intelligence Initiatives

QUESTION:

Your budget request includes an increases of $12 million for Artificial Intelligence (AI) Initiatives under the ADP/Telecommunications program. What is Artificial Intelligence as it is applicable to the FBI? What would this increase be used for? How will this initiative be used to improve name searching and quality assurance? Will these improvements be made during FY 1987? Is there a practical benefit to investigative programs right now?

ANSWER:

In 1984, I approved an intiative to apply AI to support several high-priority investigative needs. The FBI plans to apply AI in the form of knowledge-based expert system techniques to selected priority investigative programs involving labor racketeering, narcotics intelligence processing and conterterrorism. An expert system is a computer program which includes knowledge acquired from subject matter experts, such as criminal investigators, and consequently can perform at or near the level of a human expert. Developing an expert system involves eliciting functional knowledge and expertise from

substantive experts in specific areas of interest; codifying this knowledge into a form (logic rules) which can be processed by a computer; and developing an operational information system combining rules; investigative data and additional logic to draw inferences about the subject matter (e.g., linkages among terrorist groups, likelihood of La Cosa Nostra involvement in union pension fund fraud, identification of aircraft in narcotics smuggling) and to explain automatically the chain of data and logic leading to the outcome.

The FBI has contracted with the Institute for Defense Analyses (IDA) for the development of expert system capabilities to support critical investigative needs. Funding requested for FY 1987 will support the following initiatives:

- A knowledge-base system containing heuristics (which are derived through interaction with designated experts) and facts (which are derived from existing data bases) to support the investigation of labor-racketeering.

- An expert system to perform real time analysis of drug intelligence to support the interdiction of vessel and airborn drug traffic as well as the effective use of available drug intelligence should interdiction fail.

- An expert system to support counterterrorism efforts.

Each initiative is viewed as part of, or a supplement to, existing investigative support systems. For example, the expert system to support management and operation of the FBI's Labor-Racketeering Program will actually be embedded within the Organized Crime Information System (OCIS) and will operate on, search names and retrieve investigative data from the OCIS data base. Included in each AI initiative is the codifying of name search rule-based techniques to retrieve information from the large investigative data bases. Development of an AI system involves the interview of investigative experts to identify the rules to operate in conjunction with investigative data bases and procedures. This developmental technique identifies data not presently being collected with needs to be collected to enhance quality assurance. These name searching and quality assurance improvements will be implemented during FY 1987.

AI systems developed by the FBI will perserve expert investigative knowledge from experienced Special Agents who retire and provide the same knowledge to new Special Agents. The systems will operate on existing large data bases where current retrieval and access capabilities are unsatisfactory. Preliminary prototypes for the above initiatives have demonstrated that these expert systems will be of a practical benefit to the FBI's investigative programs. The first version of the Labor Racketeering Expert System will be applied this year in a major investigation. Special Agents will be capable of performing advance analysis activities in a timely manner with these systems.

Increases for Regional Computer Support Centers

QUESTION:

Your FY 1987 budget request includes an increase for 44 support positions for the Regional Computer Support Centers (RCSCs). The

request indicates the staffing level for each of these centers has been revised. What was the planned staffing level before the revision, when was the staffing level revised, and what caused the revision in the staffing level?

ANSWER:

The FBI originally planned a staffing level of two agents and 40 support workyears to staff the RCSCs. This staffing level was revised through the 1986 budget cycle to three agents and 64 support workyears. This increased staffing level was based on a needs assessment conducted by the FBI's Pay and Position Management Group and studies conducted by the Technical Services Division. These studies identified increased requirements for regional telecommunications network management (monitoring, troubleshooting, performance analysis, and security), regional staff operations and systems programmers, regional word processing management and control, and administrative support for technical personnel.

Practical Problems Training Complex

QUESTION:

The 1987 budget request reflects a reduction of $250,000 in funds for construction of the Practical Problems Training Complex. What is the status of this project? What is the impact of this reduction in funding?

ANSWER:

The present status of the PPTC since the annual funding of $250,000 began in FY 1983 is as follows:

Fiscal Year	Description	Amount
1983	-initial clearing of the site -extend water and electricity to ASD's surplus warehouse -construct asphalt road to ASD's surplus wrehouse	$212,631.00
	-architectural/engineering (A/E) services	37,369.00
1984	-A/E services - Phase I	63,750.00
	-construction - Phase I consisting of underground utilities	192,814.00
1985	-continued construction of Phase I consisting of curb and gutter, roadways	250,000.00
1986	-electrical distribution work	3,500.00
	Total	$760,064.00

An additional $3.760 million was reprogrammed in FY 1985 to assist in the construction of the PPTC. Expenditures were as follows:

Fiscal Year	Description	Amount
1985	-architectural/engineering (A/E) services for Instructional Building	$306,612.00
	-A/E services for Crime Scene Motel	130,115.00
	-A/E services for Maintenance Building	150,633.00
	-construction contract for Instructional Building	1,798,000.00
	-construction contract for Crime Scene/Motel Building	1,372,400.00
	Total	$3,757,760.00

NOTE: An additional $2 million will be received from DEA for the construction of the maintenance building as the result of a reimbursable agreement. A construction contract will be awarded by early summer, 1986.

The PPTC was originally conceptualized as an environmental laboratory in which students would be instructed and their performance evaluated free from endangerment or alarm to the public. To date, only approximately 25% of the design has been funded. We have completed the warehouse and the older, "inner city" portions of the project. The proposed 1987 reduction reflects this Administrations initiative to limit new construction activities to projects that have been specificially requested through the budget process. The net effect of the 1987 reduction is that the is no remaining base funding to support any future PPTC construction. Funding for any future PPTC construction projects will be requested through the budget process.

GSA SLUC Increase

QUESTION:

Your budget also includes a requested increase of $7,985,000 for rental payments to GSA for space. What is the basis for this increase?

ANSWER:

The growth of the FBI's mission over recent years has also resulted in the working space required for our field offices. As those needs were identified and verified, the General Services Administration (GSA) was requested to take the necessary steps to acquire the additional working space. The space acquisition process is lengthy, partly caused by numerous regulatory requirements which safeguard

the leasing process and the difficulties inherent in relocating several space entities in Federal space in order to create the expansion space needed by the FBI. As a result, the actual acquisition of the additional space can often take a year or more to accomplish.

The Facilities Management Staff at the FBI has made a concerted effort to track each expansion project in order to project, with some degree of confidence, the fiscal year in which each expansion project would actually result in an increase in SLUC. Using this projection and the GSA SLUC rate estimates for each FBI location, the FBI estimated the SLUC charges that the FBI would receive for each fiscal year.

For the FY 1987 budget proposal, the latest FY 1987 SLUC rate estimates available from GSA were used. Since GSA had announced their plan to convert to the new "RENT" system in FY 1987, it was believed that the FY 1987 rates were the new RENT rates. It is now understood that although GSA will implement the RENT system in FY 1987, the adjustment of rates may not occur until FY 1988. In the final analysis, however, whether the FY 1987 rates provided by GSA are for SLUC or RENT, when applied to the FBI's space assignments, they result in nearly an $8 million increase in our projected SLUC requirements. For this reason, an increase of $7,985,000 was requested.

Expansion of the New York Field Office

QUESTION:

Your budget request for FY 1987 includes an increase of $16,879,000 to expand the New York Field Office (NYFO). This request is related to a pending reprogramming to begin this move during the current fiscal year. What is the need for this additional space, how much space are you getting, what is the cost per square foot, and what are the special requirements that would lead to such a large increase for space?

ANSWER:

The FBI is requesting an additional 120,000 square feet of space for the expansion of the NYFO. This expansion will accommodate an automated information system to support sensitive criminal and foreign counterintelligence investigations and will provide space for increased workstation and storage for currently housed personnel. This facility will consolidate personnel and equipment from off-site locations to a permanent NYFO location.

The NYFO has had no increase in space at 26 Federal Plaza since FY 1979 when the number of employees assigned to the NYFO building was 1,059. The NYFO currently houses 1,384 employees. This does not include the 138 New York City Police Officers who are assigned to joint criminal task forces and who occupy NYFO space on a permanent basis. Based on 1,522 workstations, the total of FBI employees and New York City Police Officers, the utilization rate for NYFO is approximately 66 square feet of office space per person. This is well below the 135 square feet of office space per person goal

established by the Federal Property Management Regulation Temporary Regulation D-71 (101-17.004, Utilization standards for work space). The NYFO has had to displace many office functions to accommodate equipment supporting the FBI's Field Office Information Systems, a national information system network, and to accommodate the increase in personnel. Currently, the NYFO lacks critical facilities such as training rooms, a security monitoring room, electronic surveillance rooms, employee/night duty lounge areas, a reference library, polygraph rooms, workbox rooms, transcribing rooms and storage areas.

Based on the GSA's estimated FY 1987 SLUC rates, the projected SLUC increase for the 120,000 square feet is approximately $3.6 million, or $29.31 per square foot.

Secure Video Teleconferencing System

QUESTION:

In FY 1986 the FBI requested and received approval for a Secure Video Teleconferencing System. What is the status and cost of this system? How is it being funded i.e., are base funds being used and from what program are these funds being derived? What will this system do for the FBI? What relationship does this system have to a similar system in the Department of Justice.

ANSWER:

In FY 1985 the FBI obligated $2.6 million to acquire equipment to support a secure video teleconferencing system. This system will provide the FBI with multi-media telecommunications capabilities with senior executive branch officials during a crisis, such as a terrorist incident. The FBI is preparing for space renovation at FBI Headquarters to install the equipment which was acquired through the reallocation of funding within the ADP and Telecommunications Program. This funding was planned and approved for intelligent workstations. It is estimated the required space renovation will cost $1 million. The Department of Justice will also require similar multi-media telecommunications capabilities during a crisis.

Increase for Automobile Cost Escalation

QUESTION:

Your budget request includes an increase of $1 million for automobile cost escalation. What is the basis for this estimate?

ANSWER:

The basis for the request is that in 1987, an uncontrollable increase of $1 million is required for costs associated with replacing automobiles in the FBI's fleet which meet GSA's replacement standards. This approximates a 6 percent increase over the base funding of $17,500,000 and is based upon the following. A 1984 study conducted by the Motor Vehicle Manufacturers Association revealed that in the past four years, the cost of a domestic vehicle has increased an average of 9.8 percent per annum. Because of the discount offered to the U.S. Government, the average cost of an FBI vehicle has increased

approximately 7 percent per annum. Industry experts representing the major automobile manufacturers have advised it is too difficult to accurately predict a percent increase in the cost of a 1987 vehicle because of foreign trade quotas being lifted, coupled with the downsizing of American vehicles. However, the experts have indicated that in all probability, the percent increase will remain fairly constant.

QUESTION:

Your budget also includes a requested increase of $983,000 to procure additional vehicles for additional investigative positions. However, the appropriation language reflects a reduction from 1,640 to 1,579 vehicles. How are these items reconciled?

ANSWER:

The appropriation language reduction from 1,640 to 1,579 vehicles is merely an authority level reduction. In FY 1986, the FBI had authority to purchase 1,640 vehicles; however, funding would only allow for the purchase of 1,459 vehicles. In FY 1987, the FBI anticipates being able to purchase 1,396 vehicles utilizing base funding. An additional $983,000 in FY 1987 would allow the FBI to purchase an additional 76 vehicles over and above the base funding level. This combined funding would allow for the total purchase of 1,472 vehicles. The difference between the authorized level (1,579 vehicles) and the actual funding level (1,472 vehicles) is 107 vehicles. Although there is no funding to allow for the purchase of these 107 vehicles, the flexibility to purchase these vehicles should be maintained in the event funding becomes available. This flexibility is required for the proper administration of a fleet of approximately 7,100 vehicles.

Status of Construction Projects

QUESTION:

On page 130 through 132 of the budget justification material the FBI lists a number of construction projects. Please identify any of the projects which are behind schedule, identify how timeframes have slipped and their cause, and identify any projects which are expected to require funding beyond what has been obtained through the budget process to date.

ANSWER:

The following is a listing of construction projects with status of each:

Dormitory/Classroom Building

Architectural/Engineering Phase - Documents 90% complete
Construction Phase - Bids received Spring 1986

Electrical Power Distribution

Architectural/Engineering Phase - Design Development
Construction Phase - Bids received Summer 1986

Utility Distribution

Architectural/Engineering Phase - Documents 50% complete
Construction Phase - Bids received Spring 1986

Water System Improvements (Telemetry)

Architectural/Engineering Phase - Documents 100% complete
Construction Phase - Bids received Spring 1986

Crime Scene Building

Architectural/Engineering Phase - Construction administration
Construction Phase - August 1986 completion

Instructional Support Building

Architectural/Engineering Phase - Construction administration
Construction Phase - October 1986 completion

Maintenance Center

Architectural/Engineering Phase - Documents 60% complete
Construction Phase - Bids received Summer 1986

No additional funding is anticipated at this time beyond what has been obtained through the budget process for these projects.

Engineering Research Facility

Design concept has been completed

Functional integration of DEA technical activities into the building design ahs been accomplished.

Architectural/Engineering Phase to carry project to completion is being negotiated.

Additional funding requirements are being identified and will be submitted through the budgetary process.

Increase for Consulting Services

QUESTION:

On page 133 of the budget justifications, the FBI shows an increase in consulting services. What has caused this increase in the cost of consulting services?

ANSWER:

The difference in the level of funding between 1986 and 1987 is not an increase, but rather a restoration of funding. In 1986, the FBI's base level of funding for consulting services was reduced by 10 percent ($360,000) in accordance with the Section 515 reduction of Public Law 99-190. This reduction is being restored for 1987.

Clerical Support

QUESTION:

The Criminal, Security, and Other Investigations activity justifications on pages 11-47 stress the need for clerical support, particularly for additional typists. The bulk of positions shown on page 116 are at the GS-7 grade, with none requested at the GS-5 grade. Please explain why some of the additional typists cannot be hired at the GS-5 level, thereby realizing a substantial salary savings.

ANSWER:

For FY 1987 the Office of Management and Budget (OMB) allowed the FBI an overall program increase amount of $89,925,000. Ten million dollars was earmarked to allow the FBI to fund those 392 field support workyears (469 support positions) which were requested to accomplish the expedite and routine typing, tape transcriptions, and other support functions.

Cuts Due to Gramm-Rudman

QUESTION:

In complying with the cuts required by Gramm-Rudman for FY 1986, the FBI has chosen to cut the Investigative Support activity most heavily. Within this activity, Forensic Services - Federal, ADP and Telecommunications, and Technical Field Support and Equipment have been targeted for the greatest reductions. Please specify the impact that these cuts will have on these programs. What projects will the FBI delay, for how long, and how will these delays affect the agency's ability to complete its missions? Which projects, if any, will the FBI cancel entirely?

ANSWER:

The FBI was required to sequester 4.3 percent, or $52,494,000 of its 1986 funding to comply with the Balanced Budget and Emergency Deficit Control Act. Of this amount, $37,026,000 in nonpersonnel funding was from Investigative Support activities, with the majority of the funding being in the areas of ADP and Telecommunications, Technical Field Support and Equipment, and Forensic Services - Federal. The impact of this action is described below.

ADP and Telecommunications. Sequestration has affected the purchase of intelligent workstation computer terminals and facility renovations. The FBI planned to purchase 2,400 intelligent workstation terminals in 1986 for installation at FBI Headquarters (FBIHQ) and field offices. Due to sequestration, only 1,490 workstations will be purchased. Base-line Field Office Information Management System (FOIMS) will be supported; however, minimum FBIHQ workstation requirements will fall short by 570 terminals. As a result, the meeting of intelligent workstation terminal requirements will be delayed, and FBIHQ divisions will not be able to support office functions and access FOIMS, the Resource Management System, or appropriate investigative support information systems.

Also affected by the sequestration are planned facility renovations. Renovations of 10 field offices will be delayed by two years. Since these renovations must precede the installation of the full complement of FOIMS workstations, the implementation of extended FOIMS functionality in these field offices will also be delayed by two years. Relocation of the FBIHQ Technical Control Center will also be deferred. This relocation is necessary to accommodate installation within the FBIHQ Computer Center of a host computer and networking capabilities required to support the Drug Enforcement Administration's (DEA's) secure applications. Funding for this computer is included in DEA's 1987 budget request. Renovations in 1986 would have permitted the installation of this computer at the beginning of 1987; however, installation is now contingent upon reallocating funding to relocate the Technical Control Center. Installation of DEA's computer system will be delayed by a minimum of six months.

Technical Field Support and Equipment. Funding for research and development, operational support, and automobile replacement has been affected by sequestration.

Research and development projects and initiatives in the areas of audio collection, digital processing, physical surveillance, countermeasures, radio communication, intrusion/counterintrusion, and engineering support services will all be affected. Delays in the development of enhanced technical equipment and investigative techniques now underway will occur, resulting in the continued use of equipment and techniques that are less effective and efficient. Delays in developing new investigative technical techniques will limit the options available to field offices during such incidents as hostage/barricade situations. The delays in purchasing equipment and developing techniques will also affect the ability of the FBI's Engineering Section to respond to field office requests for engineering assistance on a timely basis.

The planned purchase of some operational support equipment for field offices will be deferred from 1986 to 1987, specifically, the acquisition of a one-way radio communications system for use by the FBI's Hostage Rescue Team (HRT), closed circuit television (CCTV) equipment, and low-light/night photographic systems. The HRT will continue to use other radio communications equipment available; however, this equipment is less suited to the particular needs of the HRT than that which is being deferred. Use of existing older CCTV equipment will be extended rather than replaced. It will also be necessary to move CCTV equipment from field office to field office to meet operational requirements. Purchase of a small high-resolution, low-light photographic system for field offices that do not possess this equipment will be deferred. Nighttime photographic surveillance capabilities to support narcotics, terrorism, and other investigations in these offices will be diminished due to the unavailability of this equipment.

Sequestration will eliminate the planned purchase of 796 passenger-carrying vehicles in 1986. The FBI will not be able to purchase vehicles to support the increase of Special Agent or other workyears in 1986. Further, the 796 vehicles scheduled for replacement will remain in the automotive fleet for an additional year. Another

1,685 vehicles will become eligible for replacement in 1987. Thus in 1987, approximately 35 percent of the entire automotive fleet (2,481 vehicles) will meet replacement standards. Operating costs in 1987 for these vehicles will increase at an alarming rate. An additional $525 per vehicle will be spent over and above average operating costs for every vehicle exceeding the replacement standard. For the 2,481 vehicles in 1987, this represents $1,302,525 per year in additional operating costs.

Forensic Services - Federal. Sequestration of 1986 funding will affect the purchase of equipment used for laboratory examinations and training and research. Equipment purchases delayed or deferred include: replacement polygraphs, automated report writing and data retrieval equipment, a gas chromatograph-mass spectrograph, replacement test-and-examination equipment (microscopes, liquid chromatographs, infrared spectrophotometers, and ultraviolent spectrophotometers), and replacement woodworking equipment. Older equipment will continue to be used; however, such equipment will become more costly to maintain and repair and less reliable to use due to the age of the items. Additionally, the purchase of equipment used for training at the Forensic Science Research and Training Center will be delayed. This equipment includes an ultraviolet laser for state-of-the-art fingerprint detection, liquid chromatrography, and other miscellaneous equipment used for training state and local laboratory examiners, and upgrades for computer hardware and software used to support laboratory research activities. Students will continue to be trained; equipment used will be serviceable but outdated.

No projects are being canceled due to sequestration. Rather, the unavailability of funding will cause delays until 1987 or 1988 in purchasing and other activities that had been planned.

FBI Aircraft

QUESTION:

Thirteen missions are listed for FBI aircraft, with the observation that more than one mission may be involved during any one flight. Regarding the mission "expedite transportation," what controls are exercised to insure that FBI aircraft are not used to transport people when less expensive commercial flights would serve the purpose in as timely a manner?

ANSWER:

The primary mission for FBI aircraft is to support investigative matters, e.g., surveillance, undercover, etc. The overwhelming majority of FBI flight hours are expended in direct investigative activities, particularly in surveillance operations. Additionally, aircraft can be utilized pursuant to the Office of Management and Budget Circulars No. A-126 dated 10/5/83, and No. A-76 (revised) dated 8/4/83, under the following circumstances, to transport FBI personnel:

1. The aircraft is scheduled to perform a bona fide mission or training activity, and the minimum mission or training requirements have not been exceeded.

An example of this would be a transportation need that coincided with a previously scheduled mission or training requirement.

2. Failure to use the aircraft would result in the failure to meet the minimum mission or training requirement.

Minimum training and proficiency requirements for FBI pilots are set forth in the FBI's Manual of Investigative Operations and Guidelines and must be met in order to retain Pilot-In-Command status. Therefore, this training may be scheduled to coincide with a transportation need.

3. No commercial aircraft or airline service is reasonably available to effectively fulfill the transportation requirement.

There may arise certain situations in which there is no commercial transportation available to the destination of the official travel. There may be other times when limited commerical transportation is available but is not adequate to reach the destination in the required time, and the requirements of the travel do not allow for delay. There may also be occasions when the nature of the cargo (i.e., hazardous or sensitive material) precludes the use of commercial transportation.

4. The cost of using an FBI aircraft is less than the cost of using commercial aircraft or airline service.

In certain circumstances, it may be more economical to utilize an FBI aircraft rather than commercial aircraft or airline service. In making this comparison, the cost of an FBI aircraft includes hourly rental (if applicable); fuel; oil; landing and parking fees; per diem expenses (if applicable); lost employees' work time (computed at gross hourly costs); and maintenance and engine reserves (in the case of FBI-owned aircraft). However, when the flight is being made to meet mission or training requirements, secondary use of the flight for transportation would in effect be a cost savings and cost comparisons would not be appropriate. Similarly, no cost comparisons are necessary where commercial aircraft or airline service is not reasonably available to effectively fulfill the transportation requirement.

Specific instructions have been issued regarding the use of FBI aircraft for the transportation of FBI personnel. Each use of an FBI aircraft for transportation of FBI personnel must be approved by the Special Agent in Charge of the FBI field office or his assistant, and documented in the field office aircraft operations file. This documentation must be supported by specific, detailed justification based upon one or more of the factors set forth above. The use of FBI aircraft for transportation of FBIHQ personnel must be approved at the Assistant Director level or above and must conform to the standards set forth above.

In conclusion, while FBI aircraft may be utilized for expedite transportation purposes as outlined above, the principal purpose of the FBI's aviation program is to provide direct support for investigations. The FBI's investigative missions clearly take priority over transportation flights.

Special Operations Group

QUESTION:

Special Operations Groups (SOGs) are said to have developed information so significant as to completely change the direction of many investigations. Please provide several examples. Has the FBI conducted an evaluation or study that documents that SOG agents "can be extremely efficient, cost-effective, and rapid way of shaping the investigator's suspicion into the prosecutor's fact?" If so, please explain the nature of the study and its findings. If not, please explain the basis for this statement.

ANSWER:

Accomplishments for FY 1985 which were attributable to SOGs which support statements such as "SOGs can be extremely efficient, cost effective, and a rapid way of shaping the investigator's suspicion into the prosecutor's fact" include the following:

Accomplishments	Accomplishments
Complaints - 733	Fines - $6,831,356
Informations - 189	Recoveries Restitutions and Court-ordered forfeitures - $55,570,291
Indictments - 1,682	Narcotics seizures - $86,342,298
FBI arrests - 1,238	Potential economics Loss Prevented - $36,469,832
Convictions - 903	

An example of how an SOG can shape the investigator's suspicion into the prosecutor's fact can be found in a major narcotics investigation centered in the Northeast. SOGs entered the initial phase of this investigation in October 1980 and were instrumental in identifying the main subjects as members and associates of a La Cosa Nostra family operating in New York.

SOGS were used throughout the entire investigation and often provided the information needed to continue critical Title III coverage. Through the assistance of the SOGs, the New York field office installed 70 court-authorized Title III wiretaps in a fourteen-month period without compromise. Thirty-one persons were eventually charged in connection with this major international drug trafficking ring. Estimates are that this ring was responsible for importing at least 330 pounds of heroin (with a street value of $1,650,000,000) each year for the last five years and for laundering tens of millions of dollars in heroin proceeds through banks in other countries. Critical evidence throughout this entire investigation was collected through the specialized surveillance skills of the SOG agents. This matter is now being presented in court in the Southern District of New York. It is anticipated that SOG agents will provide critical testimony concerning hundreds of overt acts by members of the heroin ring in furtherance of their criminal conspiracy.

Organized Crime Drug Enforcement

QUESTION:

The estimated accomplishments of the Organized Crime Drug Enforcement Task Forces are projected to decrease in every category between 1985 and 1986 and on into 1987. Why are accomplishments dropping off, especially given that 446 additional positions were made available for drug enforcement during FY 1986 and 40 more are requested for FY 1987?

ANSWER:

The base level funding for the FBI's Organized Crime Drug Enforcement Task Force (OCDETF) program during FY 1985 was 334 agent positions and 77 general support positions, a total funded level of 411 positions. An enhancement of 28 agent positions, and 7 general support positions were received during FY 1985 to bring the total to 446 positions. This enhancement was primarily for the thirteenth task force, which was formed during that time in Miami, Florida.

In an effort to support the priority given the OCDE task forces by the President and the Attorney General, the FBI devoted 559 agent and 295 general support positions -- a total of 854 positions -- to the OCDETF program in FY 1985. This commitment of resources included the use of 197 agent positions over what had been funded for FBI involvement in OCDETF operations. The 197 agent positions used in the OCDETF program in FY 1985 were diverted from other investigative programs. This diversion of resources has significantly affected the FBI's ability to achieve objectives in each of the program areas from which the diversion occurred. In order for those programs to adequately address their continuing significant responsibilities, certain of which have gone unaddressed during the period of diversion, resources in use in the OCDETF program over those funded are being returned to the programs from which funding was obtained. Unless exigent circumstances occur which require the use of resources above funded levels, the FBI intends to maintain resource utilization within the OCDETF program at funded levels.

The estimated OCDETF acomplishments for 1986 through 1988 were calculated by the FBI using the base level of agent positions which are funded in the OCDETF program. Inasmuch as the FBI must project its workload and accomplishments in relation to the level of resources which are funded within a program, anticipated accomplishments are below the level attained in FY 1985 when resources in excess of funding were employed within the program.

The 40 positions requested in FY 1987 are general support positions and are necessary to provide agents the clerical support which is vital to all investigative matters. These support positions do not represent an increase in the OCDETF program's agent complement.

Another example supporting the value and effectiveness of SOG expertise can be found in an investigation surrounding an armored car robbery and the slaying of two police officers in Nyack, New York. Numerous subjects were identified and subsequently arrested; however, two of the main perpetrators of the crime remained at large over a

period of five years. One of those subjects, Mutulu Shakur, was eventually placed on the FBI's Top Ten Fugitive list. The arrest of Shakur was made without incident on February 11, 1986, as a direct result of the efforts of SOG agents, who had taken what was often very sketchy intelligence information and turned it into solid leads to Shakur's location.

The FBI's Office of Program Evaluation and Audits (OPEA) conducted a detailed study of the SOG program in 1985. This study was specifically undertaken to determine if SOGs are an effective, efficient, and productive investigative tool. It was the finding of OPEA that "SOGs are effective, efficient, and productive investigative tools being used in the FBI's major, complex investigations, and responses to crisis situations. They have become an essential and integral part of FBI operations...".

ADP and Telecommunications

QUESTION:

These pages list numerous ADP and telecommunications systems. The interrelationship of the systems and their relationship to the accomplishing the FBI's various missions is not clear from the text. Please provide a flow chart indicating which systems support which activities of the FBI, and the interrelationships among the systems.

ANSWER:

The following chart defines the relationship of the FBI's ADPT systems to their various missions:

Investigative Support	Law Enforcement Support	Resource Management Support
OCIS		
ISIS		
IIS		
CAASS		
FOIMS		FOIMS
IRCS	IRCS	IRCS
Telephones	Telephones	Telephones
	NCIC	
	AIDS	
		RMS
		ARMS

QUESTION:

A graphics language was developed for arbitrary block and system diagrams. Software programs currently on the market provide graphics capabilities. Why was it necessary to develop internally a new graphics package?

ANSWER:

In 1983 the FBI purchased DISSPLA, a sophisticated commerical mainframe graphics package. This package met the FBI's requirements for systems diagrams, flow charts, and other complex graphics. However,

the package was very difficult to use and required a programmer with knowledge of COBOL, FORTRAN or other programming languages. This meant that valuable programmer time was spent preparing graphics for project and executive-level managers. To free experienced programmers' valuable time to work on more complex assignments, the FBI developed a user friendly interface to the DISSPLA package. This allows non-programmer end-users to develop needed graphics on their own.

QUESTION:

NCIC modified its record validation procedure during FY 1985. It is stated that this resulted in improved quality of data and an increase in the "hit" rate. Please be more specific. How much of an increase in data quality was realized? How was this increase measured? How much did the hit rate increase and how has this been measured?

ANSWER:

On October 1, 1985, NCIC validation procedures changed from biannual or annual validation to monthly validation for all participating agencies. This ensures that all records which are reviewed are only 60 to 90 days old, rather than six months to a year. Previously, participating agencies were allowed 75 days to provide results of the validation prior to the changes. Agencies are now allowed 45 days to report these results.

The impetus for changing the validation schedule was based on an FBI study which indicated that a large percentage of vehicles were recovered or located within the first 30 days of the theft report. Good business and record management practices were instituted using this new validation procedure to ensure that as far as possibe, records in the system would be examined and validated earlier.

The modified validation procedure is just one of several quality assurance initiatives that went into effect October 1, 1985. The procedures have been in effect for six months now and their impact will be evaluated during planned biennial audits.

QUESTION:

NCIC initiated a software improvement project, in part to eliminate a backlog of enhancements. What is the nature of the enhancements that have been backlogged? How will their implementation improve the utility of the NCIC system?

ANSWER:

The backlog of enhancements were requests from NCIC users to make changes to the NCIC system. These requested changes covered areas as simple as adding the character "&" to an NCIC field, and as complex as modifying the NCIC cross-search between unidentified and missing persons files. Some changes included the addition of new files. For example, adding an Originating Agency Identifier (OAI) file facilities communication between contributing agencies. Other enhancements improved the quality of records in the files. For example, the

on-line vehicle identification number (VIN) feature for 1986 vehicles was implemented to prohibit users from entering invalid VIN information.

Additional programmer support was made available to the NCIC programming staff to eliminate the backlog of enhancement requests. In 1984, 130 enhancement requests were completed; in 1985, 196 were completed. Seventeen enhancements have been completed thus far in 1986, and only 27 enhancements are pending.

These enhancements have not only made the NCIC system more responsive to user needs but have also provided the opportunity to improve the flexibility of NCIC by improving software as changes are made.

Technical Field Support

QUESTION:

An extensive list of technical field support programs or services is provided on these pages. Since resources are never adequate to fulfill all needs, how does the FBI prioritize among these many technical services to insure that monies are allocated to achieve the greatest benefit?

ANSWER:

The Technical Se vices Division (TSD) manages the Technical Field Support and Equipment (TFS&E) Program. The FBI identifies its technical equipment requirements at a variety of service levels. Each FBI field office has a technical coordinator. Yearly technical coordinator conferences are held so that equipment requirements of the field can be discussed with TSD management. Technical coordinators also file monthly reports which show equipment usage, equipment shortfalls, and the consequences of equipment shortfalls. The TSD also keeps track of all equipment requests made by the field. Within Headquarters user divisions, specifically the Criminal Investigative Division (CID) and Intelligence Division (INTD), there is a group tasked with ranking technical equipment requests. A yearly conference of the major user field offices is held to identify current field requirements and, more importantly, future operations. These operations translate to mission objectives which can be translated to specific equipment and research and development requests. The Committee for Overseeing the Application of Technical Support, made up of top management from TSD, CID, and INTD, reviews requests and makes recommendations regarding technical services to the Executive Assistant Director-Administration.

Audio Processing

QUESTION:

The Audio Processing Program provides services to State, local, and certain foreign law enforcement agencies. Is the FBI reimbursed for these services? If not, is it authorized to seek reimbursement for the services? What is the potential cost avoidance that might be realized through reimbursement for these services?

ANSWER:

The FBI does not receive reimbursement, nor is it authorized to receive reimbursement for providing services of the Audio Processing Program to State, local, and certain foreign law enforcement agencies. The code of Federal Regulations, Title 28, Section 0.85, Sub (g), provides, in part, that the FBI will provide, without cost, technical and scientific assistance to all duly constituted law enforcement agencies. Because legislation specifically prohibits the FBI from charging for services such as those provided by the Audio Processing program, no accounting system has been instituted to track the costs of providing assistance to State, local, and other law enforcement agencies.

The costs associated with the Audio Processing Program are generally in the areas of personnel, equipment, maintenance of equipment, supplies, shipping and handling of evidence, and the travel costs associated with providing testimony at trials. In order to determine potential cost avoidances for these services, a study would have to be conducted. This study would have to consider not only the cost avoidances realized by the FBI but also the impact this would have on the law enforcement agencies now assisted by the FBI.

Reimbursement for Forensic Services

QUESTION:

Forensic Services are provided to non-Federal criminal justice agencies cost-free. At the same time the FBI also provides training to facilitate development of this capability among non-Federal agencies. By providing forensic services cost-free, however, the incentive to build up this capability locally would seem to be reduced. Is the FBI authorized to seek reimbursement for these services? What is the potential cost avoidance that might be realized through reimbursements?

ANSWER:

The Code of Federal Regulations, Title 28, Section 0.85, Sub (g), states: "Operate the Federal Bureau of Investigation Laboratory to serve not only the Federal Bureau of Investigation, but also to provide, without cost, technical and scientific assistance, including expert testimony in Federal or local courts, for all duly constituted law enforcement agencies...." Therefore the FBI is not presently authorized to seek reimbursement for these services.

Due to the complexity of arriving at a cost for each type of examination, and the absence for authority to seek reimbursement, no cost studies have been conducted. For example, the Laboratory routinely performs more than one hundred different types of forensic examinations and a great number of additional miscellaneous examinations. The complexity and time for conducting each of these examinations vary widely depending on the condition of the evidence submitted and the nature of the examination itself. Such studies would necessarily have to be perpetuated as research and technology are constantly changing examination regimens.

There is no such thing as a standard regimen for a particular case. The types of examinations to which the evidence will be submitted will generally include the work requested by the submitting agency but, based on the investigative and technical expertise of the examiner, it may be subjected to a more in-depth analysis in the requested discipline(s) or even to an array of examinations in several completely different disciplines. If costs are being incurred this would require authorization by the submitting agency at each stage of the examination. Much time could be lost.

Administration of the program would neccesitate realignment or augmentation of the staff, budget procedures would have to be changed, billing and collection procedures established, and administrative oversight provided.

The FBI believes that a requirement that State and local law enforcement agencies reimburse the FBI for laboratory services would not be in the best interest of the nation's criminal justice system.

The value of physical evidence to the successful investigation and prosecution of criminal acts, particularly crimes of violence, cannot be overstated. When evidence is correctly identified, collected, preserved, and submitted to a "full service" crime laboratory it can save untold hours and days of investigative and/or prosecutive time and may in fact be absolutely essential to successful prosecution. Reported crime in the United States increased by three percent for the first six months of 1985 over 1984. This is the first rise in reported crime in this country since 1981. With this increased workload, and the workload imposed by the war on drugs, the jurisdictional crime laboratories are overburdened and barely able to keep pace. Even when the services of these laboratories are available they often do not have the expertise and/or instrumentation to perform the full range of services offered by the FBI. To charge for and possibly deny this national resource to the criminal justice system would be taking a step backward.

The imposition of charges for forensic services would place State and local law enforcement agencies in the position of "picking and choosing" which cases to submit and justice would not be fairly or uniformly applied. The quality and depth of forensic analysis should not depend on the ability of law enforcement agencies to pay.

The FBI Laboratory relies heavily on the experience gained from the examinations performed in connection with the diverse cases received from the State and local agencies. This diversity enables the development of the expertise necessary to handle such major Federal cases as those involving product tampering, hijacking, kidnapping, acts of terroism, and assassinations. Additionally, the workload received from State and local agencies assists with the justification for maintaining the large inventory of sophisticated instrumentation which is now available for Federal and non-Federal examinations. Without such justification it is doubtful if the advanced techniques presently used could be made available to either sector.

It should be pointed out that this service promotes good will and cooperation between Federal and State and local law enforcement agencies. State and local law enforcement agencies provide many

services free of charge to FBI and other Federal investigators. The imposition of these charges might place a strain on the otherwise harmonious working relationship between Federal and local agencies and possibly encourage local agencies to impose charges on services they presently perform at no cost for the Federal sector.

The FBI Laboratory's Forensic Services program is requesting a budget of $26.8 million for 1987. Of this total, $8,359,000 is assigned to the non-Federal Program. This figure is arrived at through the percentage of examinations which are performed in each area (Sixty-nine percent Federal and thirty-one percent non-Federal). In reality, however, the same examiners and technicians work, using the same instrumentation, on both Federal and non-Federal cases. Most of these resources are required to support Federal investigations. The cost avoidance of not performing examinations for State and local agencies would be only a portion of the $8.3 million budget.

There are presently a considerable number of incentives for State and local law enforcement agencies to develop forensic science capability. There are approximately 250 crime laboratories in the United States today. Many of these have evolved through the direct assistance and training of the FBI Laboratory. The presence of these jurisdictional laboratories provides immediate access to forensic experts for consultation and crime scene processing which is not provided by the FBI; they permit the agencies to establish their own examination priorities rather than be governed by those of the FBI Laboratory; they reduce the time lost in submitting (shipping) the evidence with attendant administrative detail; and they contribute to the pride and self-sufficiency of the agencies.

Fingerprint Cards

QUESTION:

The percent of fingerprint cards received and processed for the criminal justice and Federal applicant category decreased from 100.2 in 1984 to 96.1 in 1987 according to the chart on this page. In contrast, in the user-fee category, the percent processed is shown remaining about the same at 99 percent. Why is the percent of cards processed declining in the non-reimbursed category?

ANSWER:

The Identification Division was able to process 100.2 percent of the fingerprint cards in the criminal justice and Federal applicant category in 1984 with the personnel and automated systems available at the time. Even though in 1985 a reduction of 100 direct-funded workyears was taken, the number of fingerprint cards processed increased by 242,000 due to a limited automation productivity increase. No additional productivity increases as a result of automation will be experienced until 1987, and then only limited increases, to offset the increases in receipts. It is projected that fingerprint card receipts in 1987 will surpass the processing ability of the available personnel and automated systems by 247,000 or 4 percent of receipts.

Interstate Identification Index

QUESTION:

A tremendous increase is cited in Interstate Identification Index requests received and processed. What is causing this increase and will the FBI be able to effectively handle the increased volume?

ANSWER:

The increase is a result of the Interstate Identification Index (III) going "on-line" in September 1984. Until this point, the users would request information through III and the FBI would respond by mail. In September 1984, the user agency could receive an immediate response at its terminal to a request. The III was then more responsive to the needs of the user. As additional local law enforcement agencies recognize the availability and value of III, receipts would continue to increase. No problems are foreseen that would prevent the FBI from effectively handling the increases.

NCIC

QUESTION:

During 1985, 1,059,736 stolen vehicles were entered into NCIC and 208,911 were removed. However, an FBI study has estimated that 60 percent of stolen vehicles are recovered within one month of their theft. Why is the percent of vehicles shown to be recovered in 1985 so much lower than what the study suggests would be recovered?

ANSWER:

During 1985, 835,643 of the 1,059,736 stolen vehicles entered into NCIC were cleared or canceled by participating agencies. This means that 78 percent of the records entered in 1985 were removed during the same period. This is consistent with the 1982 study which reported that 77 percent of all stolen vehicles will be recovered within one year. This is the same study referred to in the question which estimated that 60 percent of stolen vehicles are recovered within one month.

Of the 835,643 vehicle records cleared or canceled during 1985, it is estimated that a minimum of 25 percent, or 208,911 records cleared, can be directly attributed to the NCIC system. This is the vehicles recovered figure referred to in the FBI's budget materials. Twenty-three states do not maintain their own stolen vehicle files and are totally dependent on NCIC for stolen vehicle transactions. The other States enter their records in NCIC as well as in their own State systems.

Decline in Field Office Audits

QUESTION:

Between 1984 and 1985 the number of inspections completed fell from 35 to 30 and the number of field office audits fell from 37 to 16.

Why have these valuable internal control checks declined during this period? Has this decline caused a backlog and, of so, how long will it take to eliminate the backlog?

ANSWER:

Most field office inspections require two weeks to complete. During 1985, there were 11 inspections of field offices and FBI Headquarters divisions that required three weeks to complete. As a result, 11 weeks were lost which could have been devoted to five inspections with durations of two weeks each. In effect a backlog of five inspections was created; however, there are 38 field offices, Legal Attache and FBI Headquarters divisions scheduled for 1986, which will, for the most part, eliminate the backlog.

The decline of field office audits in FY 1985 was due to an unaticipated loss of six experienced auditors near the end of FY 1984 and early FY 1985. The Audit Unit, subsequently, hired nine new, inexperienced auditors during FY 1985 to fully satisfy the funded level for auditors.

The Audit Unit, in FY 1985, conducted audits of the "Top-12" field offices but only four of the "small-to-medium" sized offices. Therefore, the unit is behind on its self-imposed goal of conducting audits of "small-to-medium" sized offices on a two-year basis. The unit has 36 field office audits scheduled for FY 1986 and, as of March 14, 1986, is maintaining this schedule. As a consequence of the FY 1985 performance, the audits of the "small-to-medium" sized offices scheduled for FYs 1986 and 1987 will encompass audit periods of between 25-36 months. Beginning with FY 1988, the Audit Unit will achieve its goal of conducting financial and compliance audits at "Top 12" field offices on an annual basis and the "small-to-medium" sized offices on a two-year basis.

Inspection Findings

QUESTION:

The 30 inspections conducted during 1985 resulted in 1,762 instructions and recommendations. Please provide more detail concerning the nature of these instructions and recommendations. For instance, categorize the compliance deficiencies. How many are related to deviations from approved investigative techniques and how many are related to deviations from administrative requirements? Have any patterns been detected in the deficiencies and/or mangerial improvements needed such that systemtic improvements can be made?

ANSWER:

Of the 1,762 instructions and recommendations issued, 50.5 percent were directed at correcting and/or improving investigative operations and techniques. The remaining instructions and recommendations were made as the result of administrative deviations detected during inspections.

Inspection findings for 1985 illustrate a consistent pattern of field office personnel failing to fully and properly index information to facilitate future retrieval. In addition, minor procedural compliance deficiencies have been noted in evidence handling and storage. A number of the larger field offices inspected were found to be in need of additional support personnel. In part, the evidence handling and storage deficiencies can be attributed to the shortage of general support personnel needed to perform these duties on a full-time, extended basis. To address these findings, instructions pertaining to indexing have been reiterated to field offices, and audit programs have been furnished to field offices to start a self-evaluation of their evidence handling and storage. Both of the aforementioned actions should bring about a greater awareness of the requirements in those areas by management, investigative, and support personnel.

Household Goods Shipments

QUESTION:

Between 1986 and 1987 a substantial increase in household goods shipments is anticipated. What is triggering this sudden increase? What measures are being taken to control the significant costs associated with these shipments? Can these shipments, which apparently are linked to staff transfers, be streched out?

ANSWER:

The sudden increase in household goods (HHG) shipment is anticipated only if the Traffic Management functions of the Drug Enforcement Administration (DEA) are consolidated into the FBI's Traffic Management Office and managed by the FBI. It means combining the total HHG shipments for both agencies under the management of the FBI. It would be accomplished under some form of reimbursement by DEA.

The costs associated with these HHG shipments result from rates tendered to General Services Administration (GSA) by the carriers. Carrier selections are made from a GSA-approved list based upon performance ratings and cost factors.

The number of HHG shipments is obviously driven by the number of cost transfers approved and cannot be stretched out unilaterally.

TUESDAY, MARCH 4, 1986.

OFFICE OF JUSTICE PROGRAMS

WITNESSES

LOIS HAIGHT HERRINGTON, ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS

RICHARD B. ABELL, DEPUTY ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS

ALFRED S. REGNERY, ADMINISTRATOR, OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

JAMES K. STEWART, DIRECTOR, NATIONAL INSTITUTE OF JUSTICE

STEVEN R. SCHLESINGER, DIRECTOR, BUREAU OF JUSTICE STATISTICS

MACK M. VINES, DIRECTOR, BUREAU OF JUSTICE ASSISTANCE

VERNE L. SPEIRS, ADMINISTRATOR, OFFICE FOR VICTIMS OF CRIME

ALLEN J. VANDER-STAAY, BUDGET OFFICER, OFFICE OF JUSTICE PROGRAMS

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. DWYER [presiding]. The last item we shall consider today is the Fiscal Year 1987 budget request for the Office of Justice Programs.

The request is for $74,400,000. This amount is a reduction of $120,811,000 from the appropriation enacted for Fiscal Year 1986 after sequestration under Public Law 99-177.

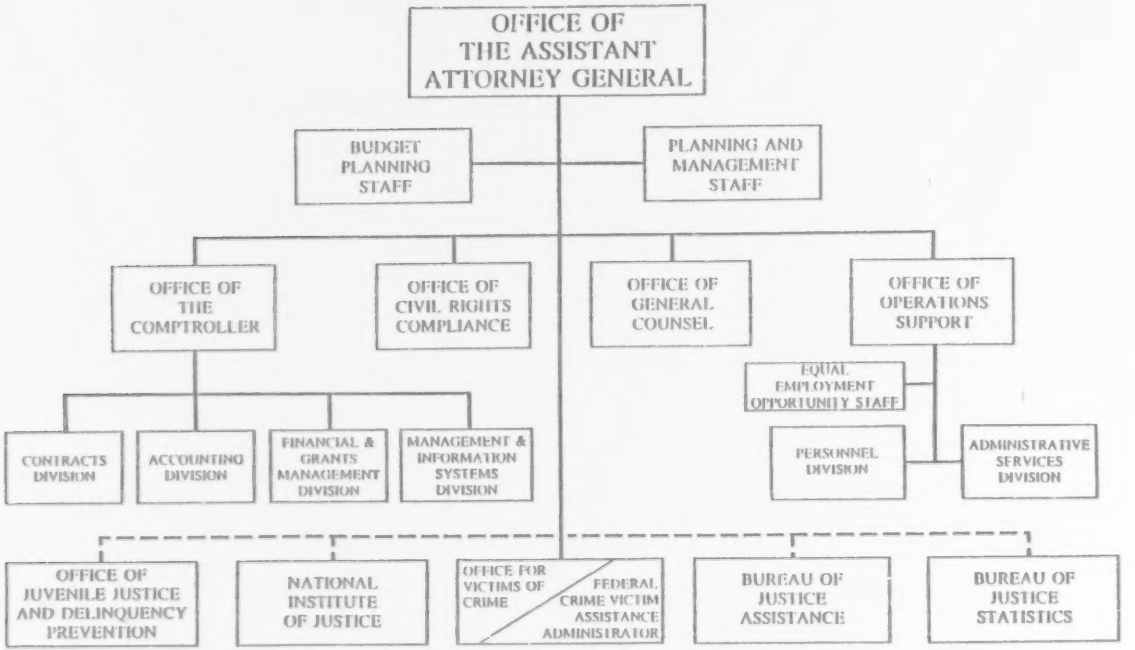
We shall insert at this point in the record the justification materials submitted in support of this request.

[The justifications follow:]

Department of Justice
Office of Justice Programs
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	5
Analysis of Effect of Proposed Rescission and Balanced Budget and Emergency Deficit Control Act of 1985	6
Crosswalk of 1986 Changes	7
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance	10
Financial Analysis - Program Changes	38
Status of Congressionally Requested Studies, Reports, and Evaluations	39
Priority Rankings	40
Detail of Permanent Positions by Category	41
Summary of Adjustments to Base	42
Justification of Adjustments to Base	43
Summary of Requirements by Grade and Object Class	46

OFFICE OF JUSTICE PROGRAMS


OFFICE OF THE ASSISTANT ATTORNEY GENERAL
BUDGET PLANNING STAFF
PLANNING AND MANAGEMENT STAFF
OFFICE OF THE COMPTROLLER
OFFICE OF CIVIL RIGHTS COMPLIANCE
OFFICE OF GENERAL COUNSEL
OFFICE OF OPERATIONS SUPPORT
EQUAL EMPLOYMENT OPPORTUNITY STAFF
CONTRACTS DIVISION
ACCOUNTING DIVISION
FINANCIAL & GRANTS MANAGEMENT DIVISION
MANAGEMENT & INFORMATION SYSTEMS DIVISION
PERSONNEL DIVISION
ADMINISTRATIVE SERVICES DIVISION
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION
NATIONAL INSTITUTE OF JUSTICE
OFFICE FOR VICTIMS OF CRIME
FEDERAL CRIME VICTIM ASSISTANCE ADMINISTRATOR
BUREAU OF JUSTICE ASSISTANCE
BUREAU OF JUSTICE STATISTICS

NOTE: DOTTED LINES INDICATE GENERAL AUTHORITY, POLICY COORDINATION, AND ADMINISTRATIVE SUPPORT THAT THE ASSISTANT ATTORNEY GENERAL PROVIDES TO THESE OFFICES

William French Smith

WILLIAM FRENCH SMITH
ATTORNEY GENERAL

12/14/84
DATE

1

Office of Justice Programs

Justice Assistance

Summary Statement

Fiscal Year 1987

The Office of Justice Programs is requesting for 1987 a total of $74,400,000, 254 permanent positions, and 268 workyears. This request represents a decrease of $1,746,000 and a decrease of 70 positions and 64 workyears from the 1986 revised anticipated appropriation of $76,146,000, which provides for 324 positions and 332 workyears.

Budget authority is requested to continue five missions: Research, Evaluation and Demonstration programs which conduct research into all aspects of the criminal justice system; Criminal Justice Statistical programs which provide statistical information dealing with crime and the operation of the criminal justice system at all levels of government; Public Safety Officers' Benefits which provide death benefits to the survivors of public safety officers killed in the line of duty; Missing Children to combat the criminal and sexual exploitation of children; and Emergency Assistance to respond to situations which exceed the capacity of local law enforcement resources. The discontinuation phase-out of the Juvenile Justice, State and Local Assistance, and Regional Information Sharing System programs is proposed.

Research, Evaluation and Demonstration Programs

The National Institute of Justice (NIJ) is the principal sponsor of research on crime and the criminal justice system in the United States, and has broad responsibility for developing improved methods of dealing with major criminal justice problems. NIJ currently administers: 1) a core program of research aimed at the control of crime and the improvement of criminal justice practices, 2) a development program designed to translate policy-relevant research findings into practical programs and policies for use by criminal justice agencies, 3) a field test program which provides for on-site experimentation with newly devised crime control strategies, 4) an evaluation program to provide an early assessment of the effectiveness of novel State and local approaches to criminal justice problems, and 5) a dissemination program which uses a variety of strategies to get important research findings and criminal justice program information to practitioners and policy-makers as quickly and completely as possible. The requested amount of $19,400,000 provides the same level of funding as appropriated in 1986.

Criminal Justice Statistical Programs

The Bureau of Justice Statistics (BJS) is responsible for all of the major national statistical series and other sources of data concerning crime and criminal justice with the sole exception of the FBI's Uniform Crime Reports. The mission of the Bureau is twofold; to provide senior officials of the Justice Department, the White House, the Congress, and the public with valid and timely justice data and analyses relevant to policy decisions, and to support the emerging capacity of State and local governments to use data as a cornerstone of their criminal justice programs. The Bureau of Justice Statistics is requesting for 1987, a total of $19,700,000 in program funds. The request provides an increase of $3,000,000 to initiate implementation of the redesigned Uniform Crime Reporting Program.

State and Local Assistance

The Bureau of Justice Assistance (BJA) administers the financial and technical assistance program for State and local criminal justice. Eighty percent of the funds appropriated for State and local assistance are available for the block grant program. Block grants are awarded to the

States with each receiving a base amount of $250,000 and the remainder allocated according to relative population. Grant funds may only be used for programs which have a high probability of improving the criminal justice system. Grant funds must be matched on a dollar for dollar basis to assure that the recipient jurisdictions share in the cost of the projects. Federal funds are not used to pay for administrative expenses or for construction, equipment or personnel costs, unless these are a necessary part of an effective improvement program. States and localities are to assume full project costs after three years. Twenty percent of the funds appropriated for State and local assistance are available for the discretionary grant program. Discretionary grants provide training and technical assistance to grantees and criminal justice personnel. National or multi-state projects and demonstration programs related to the same priority objectives authorized for the formula grants will be funded. No new budget authority is requested for 1987 and a rescission is proposed for 1986.

Emergency Assistance

The Justice Assistance Act of 1984 authorizes the provision of funds, equipment, training, intelligence information and personnel to a requesting State, in the event of a law enforcement emergency. The Act envisions a Federal response to situations which exceed the capacity of local law enforcement resources. Assistance requested by a Governor, may be provided when the Attorney General, after consultation with appropriate members of the Federal law enforcement community, determines that a law enforcement emergency does exist. The sum of $1,200,000 is requested for this purpose, the same level of funding as appropriated in 1986.

Juvenile Justice Program

No new budget authority is requested for the Juvenile Justice programs. This program was first funded in 1975. In the 11 years of funding, the Federal Government has made awards totaling $816,000,000 for the various programs authorized by the Juvenile Justice Act. The Administration believes that much has been accomplished in the past 11 years but that it is now time for the states and localities to pick up funding of these programs. A rescission of all unobligated 1986 balances is proposed. A program reduction of $3,897,000 in 1987 will eliminate Federal funding for this program.

Missing Children

This is a new program authorized and funded by Congress in 1985. Funds from this program will be used to combat the criminal and sexual exploitation of children by assisting families, citizen groups, law enforcement agencies and government institutions in a national effort to ensure the safety and protection of children. The request for $4,000,000 will continue the program at the same level as 1986.

Mariel Cubans

In 1985 Congress appropriated $5,000,000 to reimburse States for part of the costs of incarcerating Mariel Cubans who had been originally paroled by the Federal Government. No funds are requested for this purpose in 1987 and a rescission is proposed for all unobligated balances for 1986.

Public Safety Officers' Benefits Program

The Public Safety Officers' Benefits Program provides a $50,000 death benefit to the eligible survivors of a Federal, State or local public safety officer whose death results from a traumatic injury sustained in the line of duty. Public safety officers covered by the program include but are not limited to police, corrections, probation, parole and judicial officers and firefighters. The request of $11,460,000 for 1987 will permit payment of 228 claims.

Regional Information Sharing System

This activity maintains regionally based information sharing centers throughout the United States to service some state and local criminal justice agencies. No new funding is requested for 1987. In addition, a rescission of $8,007,000 of the 1986 appropriation is requested.

OJP Management and Administration

This activity provides executive direction and control for the National Institute of Justice, the Bureau of Justice Statistics, the Bureau of Justice Assistance, the Office of Juvenile Justice, and the Office for Victims of Crime as well as supplying the full range of support services to all program offices. The request of $18,700,000, 254 positions and 268 workyears provides a decrease of 70 positions, 64 workyears and $2,688,000 due to the termination of funding for the Juvenile Justice Program, State and Local Assistance and the Regional Information Sharing System programs; a decrease of $1,000,000, 11 positions and 11 workyears for planned productivity improvements; and an increase of $3,306,000 for adjustments to base.

Office of Justice Programs

Justice Assistance

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in the appropriations language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Justice assistance

For grants, contracts, cooperative agreements, and other assistance authorized by the Justice Assistance Act of 1984, Runaway Youth and Missing Children Act Amendments of 1984, and the Missing Children Assistance Act including salaries and expenses in connection therewith, [$128,700,000], and of the unobligated funds previously appropriated for the Juvenile Justice and Delinquency Prevention Act, other than funds subject to provisions of sections 222(b), 223(d), and 228(e) of title II of such Act, $9,300,000 shall be made available for programs authorized under parts D and E of the Justice Assistance Act of 1984, all funds appropriated herein to remain available until expended; and for grants, contracts, cooperative agreements, and other assistance authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith, $74,400,000 [$70,282,000,] to remain available until expended. [In addition, $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans having to be incarcerated in State facilities for terms requiring incarceration for the full period October 1, 1985 through September 30, 1986 following their conviction of a felony committed after having been paroled in the United States by the Attorney General: Provided, That within thirty days of enactment of this Act the Attorney General shall announce in the Federal Register that this appropriation will be made available to the States whose Governors certify by February 1, 1986 a listing of names of such Mariel Cubans incarcerated in their respective facilities: Provided further, That the Attorney General, not later than April 1, 1986, will complete his review of the certified listings of such incarcerated Mariel Cubans, and make grants to the States on the basis that the certified number of such incarcerated persons in a State bears to the total certified number of such incarcerated persons: Provided further, That the amount of reimbursements per prisoner per annum shall not exceed $12,000.]

(Department of Justice and Related Agencies Appropriation Act, 1986, P.L. 99-180).

Explanation of Changes

1. The first change deletes language for the Juvenile Justice program.
2. The second change deletes language for the Mariel Cubans program.

Office of Just ograms

Justice Assistance

Analysis of Effect of Proposed Rescission and Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in Thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered 4.3%		Proposed Rescission			1986 Current Year Balance		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Reduc.	Remain.	Pos.	WY	Amount	Pos.	WY	Amount
1. Research, Evaluation, and Demonstration Programs	...	...	$19,500	...	...	-$100	...	...	$19,400	-$834	$18,566	...	...	...	...	...	$18,566
2. Criminal Justice Statistical Programs	...	...	16,776	...	...	-76	...	...	16,700	-718	15,982	...	...	...	...	...	15,982
3. State and Local Assistance	...	...	67,000	...	...	-16,300	...	...	50,700	-2,180	48,520	...	...	-48,520	...	...	...
4. Emergency Assistance	...	...	1,500	...	...	-300	...	...	1,200	-52	1,148	...	...	...	...	...	1,148
5. Juvenile Justice Programs	...	...	...	...	...	67,600	...	...	67,600	-2,906	64,694	...	...	-60,797	...	...	3,897
6. Missing Children	...	...	4,000	...	...	...	...	...	4,000	-172	3,828	...	...	...	...	...	3,828
7. Public Safety Officers' Benefits Program	...	...	11,500	...	...	-100	...	...	11,400	-490	10,910	...	...	...	...	...	10,910
8. Mariel Cubans	...	...	...	...	...	5,000	...	...	5,000	-215	4,785	...	...	-4,785	...	...	...
9. Regional Information Sharing System	...	...	...	...	...	9,900	...	...	9,900	-426	9,474	...	...	-8,007	...	...	1,467
10. Management and Administration	312	326	12,739	22	16	-1,657	334	342	18,082	-778	17,304	-10	-10	...	324	332	17,304
Total	312	326	140,015	22	16	63,957	334	342	203,982	-8,771	195,211	-10	-10	-122,109	324	332	73,102

Congressional Appropriation Actions

The Congress restored $67,600,000 for the Juvenile Justice program and increased resources for administration of the program by $610,000 and 22 positions. Congress also provided $5,000,000 for the Mariel Cubans and $9,900,000 for the Regional Information Sharing System. Management and Administration was reduced by $2,267,000 of which $2,031,000 represents an unobligated carryover amount from 1985 which had been proposed for rescission in 1985 and Congress failed to rescind. The rescission had been proposed to effect management savings pursuant to Section 2901 of the Deficit Reduction Act of 1984. Funding was also reduced for the State and Local Assistance Program, Research, Evaluation, and Demonstration Programs, Criminal Justice Statistical Program, Emergency Assistance, and Public Safety Officers' Benefits Program. In addition to the $50,700,000 appropriated for State and Local Assistance, Congress directed that $9,300,000 of Juvenile Justice carryover funds be transferred to State and Local Assistance. Thus the total availability for State and Local Assistance would have been $60,000,000.

Funds Sequestered

In accordance with Public Law 99-177, a 4.3 percent reduction of $8,771,000 is taken.

Proposed Rescission

The proposed rescission would terminate funding for four programs: State and Local Assistance, Juvenile Justice, Mariel Cubans, and Regional Information Sharing System.

Office of Justice Programs

Justice Assistance

Crosswalk of 1986 Changes
(Dollars in thousands)

Revised 3/12/86

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Proposed Rescission			Sequestrations In Lieu of Rescissions			1986 Revised Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Research, Evaluation, and Demonstration Programs.....	...	...	$19,500	...	...	-$100	...	...	...	...	...	...	...	...	$19,400
2. Criminal Justice Statistical Programs.....	...	...	16,776	...	...	-76	...	...	...	...	...	...	...	...	16,700
3. State and Local Assistance.....	...	...	67,000	...	...	-16,300	...	...	-48,520	...	...	-2,180	...	...	...
4. Emergency Assistance.....	...	...	1,500	...	...	-300	...	...	...	...	...	...	...	...	1,200
5. Juvenile Justice Programs.....	...	...	...	...	...	67,600	...	...	-60,797	...	...	-2,906	...	...	3,897
6. Missing Children.....	...	...	4,000	...	...	...	...	...	...	...	...	...	...	...	4,000
7. Public Safety Officers' Benefits Program.....	...	...	11,500	...	...	-100	...	...	...	...	...	...	...	...	11,400
8. Mariel Cubans.....	...	...	...	...	...	5,000	...	...	-4,785	...	...	-215	...	...	...
9. Regional Information Sharing System.....	...	...	...	...	...	9,900	...	...	-8,007	...	...	-426	...	...	1,467
10. Management and Administration.....	312	326	19,739	22	16	-1,657	-10	-10	...	...	...	...	324	332	18,082
Total.....	312	326	140,015	22	16	63,967	-10	-10	-121,109	...	...	-5,727	324	332	76,146

Congressional Appropriation Actions

The Congress restored $67,600,000 for the Juvenile Justice program and increased resources for administration of the program by $510,000 and 22 positions. Congress also provided $5,000,000 for the Mariel Cubans and $9,900,000 for the Regional Information Sharing System. Management and Administration was reduced by $2,267,000 of which $2,031,000 represents an unobligated carryover amount from which had been proposed for rescission in 1985 and Congress failed to rescind. The rescission had been proposed to effect management savings pursuant to Section 2901 of the Deficit Reduction Act of 1984. Funding was reduced for the State and Local Assistance Program, Research, Evaluation, and Demonstration Programs, Criminal Justice Statistical Program, Emergency Assistance, and Public Safety Officers' Benefits Programs.

Sequestrations in Lieu of Rescissions

In accordance with Public Law 99-177, a 4.3 percent reduction of $5,727,000 in programs originally scheduled for larger rescissions.

Proposed Rescission

The proposed rescission would terminate funding for four programs following the decision of the Congress to rescind the remaining funds. The four programs with rescission proposals are: State and Local Assistance, Juvenile Justice, Mariel Cubans, and Regional Information Sharing System.

Office of Justice Programs

Justice Assistance

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	334	342	$203,982
Proposed rescission	-10	-10	-122,109
Sequestrations in lieu of rescissions	...	...	-5,727
1986 appropriation anticipated	324	332	76,146
Uncontrollable increases	...	...	3,318
Decreases	...	...	-12
1987 base	324	332	79,452

Estimates by budget activity	1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Research, Evaluation and Demonstration Programs	...	...	$20,395	...	...	$19,400	...	...	$19,400	...	...	$19,400	...	...	...
2. Criminal Justice Statistical Programs	...	...	16,613	...	...	16,700	...	...	16,700	...	...	19,700	...	...	$3,000
3. State and Local Assistance	...	...	33,092	...	...	...	...	...	...	...	...	...	...	...	...
4. Emergency Assistance	...	...	...	...	...	1,200	...	...	1,200	...	...	1,200	...	...	...
5. Juvenile Justice Programs	...	...	66,235	...	...	3,897	...	...	3,897	...	...	...	...	...	-3,897
6. Missing Children	...	...	197	...	...	4,000	...	...	4,000	...	...	4,000	...	...	...
7. Public Safety Officers' Benefits Program	...	...	11,256	...	...	11,400	...	...	11,400	...	...	11,400	...	...	...
8. Mariel Cubans	...	...	5,000	...	...	...	...	...	...	...	...	...	...	...	...
9. Crime Control Programs	...	...	11,353	...	...	...	...	...	...	...	...	...	...	...	...
10. Regional Information Sharing System	...	...	...	...	...	1,467	...	...	1,467	...	...	...	...	...	-1,467
11. Management and Administration	334	298	18,535	324	332	18,082	324	332	21,388	254	268	18,700	-70	-64	-2,688
Total	334	298	182,676	324	332	76,146	324	332	79,452	254	268	74,400	-70	-64	-5,052

Office of Justice Programs
Justice Assistance
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Research, Evaluation and Demonstration Programs	...	...	$19,500	...	...	$20,395	...	...	$19,400	...	...	$19,400	...	...	$19,400	...	...	...
Criminal Justice Statistical Programs	...	...	16,776	...	...	16,613	...	...	16,700	...	...	16,700	...	...	19,700	...	...	$3,000
State and Local Assistance:																		
Formula grants	...	...	4,400	...	...	29,356	...	...	...	...	...	...	...	...	...	...	...	...
Discretionary grants	...	...	1,100	...	...	3,736	...	...	...	...	...	...	...	...	...	...	...	...
Emergency Assistance	...	...	...	...	...	...	...	...	1,200	...	...	1,200	...	...	1,200	...	...	...
Juvenile Justice Programs:																		
Formula grants	...	...	42,935	...	...	40,732	...	...	...	...	...	...	...	...	...	...	...	...
Special emphasis	...	...	14,311	...	...	14,784	...	...	592	...	...	592	...	...	...	...	...	-592
National institute of juvenile justice & delinquency prevention	...	...	7,726	...	...	8,096	...	...	1,981	...	...	1,981	...	...	...	...	...	-1,981
Technical assistance	...	...	1,804	...	...	1,675	...	...	674	...	...	674	...	...	...	...	...	-674
Concentration of federal efforts	...	...	824	...	...	948	...	...	650	...	...	650	...	...	...	...	...	-650
Missing Children	...	...	4,000	...	...	197	...	...	4,000	...	...	4,000	...	...	4,000	...	...	...
Public Safety Officers' Benefits Program	...	...	8,301	...	...	11,256	...	...	11,400	...	...	11,400	...	...	11,400	...	...	...
Mariel Cubans	...	...	5,000	...	...	5,000	...	...	...	...	...	...	...	...	...	...	...	...
Regional Information Sharing System	...	...	...	...	...	...	...	...	1,467	...	...	1,467	...	...	...	...	...	-1,467
Crime Control Programs	...	...	...	...	...	11,353	...	...	...	...	...	...	...	...	...	...	...	...
Management and Administration:																		
Executive direction & control, NIJ	52	52	3,321	52	49	2,761	52	52	3,360	52	52	3,383	52	52	3,383	...	...	...
Executive direction & control, BJS	43	44	2,376	43	43	3,144	43	44	2,508	43	44	2,528	43	44	2,528	...	...	...
Executive direction & control, OJJ	62	62	2,640	62	58	2,545	62	62	2,682	62	62	2,692	24	30	1,673	-38	-32	-1,019
Executive direction & control, BJA	41	41	1,808	41	25	1,105	31	31	1,885	31	31	1,904	10	10	1,235	-21	-21	-669
Executive direction & control, OVC and OJP program support services	136	139	8,729	136	123	8,980	136	143	7,647	136	143	10,881	125	132	9,881	-11	-11	-1,000
Total	334	338	145,551	334	298	182,676	324	332	76,146	324	332	79,452	254	268	74,400	-70	-64	-5,052

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

JUSTIFICATION OF PROGRAM AND PERFORMANCE

ACTIVITY RESOURCE SUMMARY
(Dollars in Thousands)

Activity: Research, Evaluation and Demonstration Programs	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Evaluation and Demonstration Programs.....	...	...	$19,400	...	...	$19,400	...	...	$19,400	...	...	...

Long-Range Goal: To increase knowledge about the causes and control of crime, and the efficiency, effectiveness, equity and responsiveness of the nation's law enforcement and justice administration systems and to disseminate such knowledge to Federal, State and local governments.

Major Objectives:

1. To advance the cumulation and synthesis of knowledge about the control of crime and improvement of the criminal justice system through continued support of justice research programs.
2. To evaluate the effectiveness of justice programs and to determine their impact upon the quality of the nation's justice systems.
3. To develop a range of model programs for improving justice practices and procedures.
4. To disseminate the results of research, development, evaluation and technology transfer programs to appropriate audiences.

Base Program Description:

The National Institute of Justice is the nation's largest and most comprehensive criminal justice research and development center. As the major national resource for policy-relevant information regarding crime and criminal justice in the United States, the Institute's programs are all designed to improve society's ability to control crime and to assist criminal justice practitioners and policymakers in selecting the most effective solutions to their urgent crime problems. The policy options developed through Institute research serve as an inexpensive means of providing Federal criminal justice assistance to states and cities. Institute research products provide policymakers with a range of alternative strategies for improving their crime control efforts without imposing rigid and burdensome federal requirements.

Each year, the Institute develops a program plan which outlines the critical policy issues which will be addressed by Institute research and development activities. This plan is the result of an extensive consultation process involving State and local governments, related Federal agencies, criminal justice professional associations and academic researchers. At the request of such organizations as the National Governors

Association and the U.S. Conference of Mayors, the Institute Director presents new policy-relevant research findings at national meetings, and uses that opportunity to discover which criminal justice problems are most pressing at the State and local level. In this way, the Institute's research agenda is driven by the practical demands of policymakers, the principal market for research products.

The critical areas which currently are receiving priority attention include: alleviating jail and prison crowding; assisting victims of crime; enhancing involvement of community resources and the private sector in controlling crime; reducing violent crime and apprehending the career criminal; reducing delay and improving the effectiveness of the adjudication process; providing better and more cost-effective methods for managing the criminal justice system; assessing the impact of probation and parole on subsequent criminal behavior; and enhancing Federal, state and local cooperation in crime control.

Most of the Institute's research projects are implemented by various experts in their particular fields through grants, contracts and cooperative agreements. Clearly, these mechanisms are more cost-effective and provide a wider range of expertise than would be the case in a wholly in-house research institute. However, the Institute has established a small in-house research capability to provide quick-response research on important topics of immediate policy-relevant interest. Institute studies on the impact of the exclusionary rule, the costs of disincarceration, the effects of changes in drunk driving legislation, and patterns of public safety officer deaths are products of this recent innovation.

Institute research projects conducted by external researchers with grant funds are selected primarily through a competitive solicitation process which uses peer review. A small unsolicited research program is also supported in order to encourage particularly innovative approaches to justice problems. The Institute's visiting fellowship program provides an opportunity for qualified criminal justice practitioners to undertake research of their own design at the Institute's offices, thereby providing staff with an occasion to draw on the researcher's field perspective and operational experience. For all Institute projects, a staff project monitor works closely with the researcher to assure successful completion of the project and to feed project findings back into the planning process.

Based upon research and evaluation findings, syntheses and program models are developed which detail the advantages and limitations of a variety of programmatic options in a given topic area. These products are aimed specifically at practitioners to assist them in deciding which research-based innovations may be appropriate for their jurisdiction. Selected model programs are field tested and evaluated to determine the likelihood of success if replicated and institutionalized by State and local government agencies, the private sector, or community organizations. National conferences and training workshops also are conducted in selected areas to acquaint senior officials with new programs or new research findings with significant implications for the management of their agencies. In response to requests from the field, the Institute also produces and disseminates brief policy papers for use by Governors, state legislators, chief justices, court administrators or local executives on topics of particular concern.

In fulfillment of its Congressional mandate, the Institute operates the National Criminal Justice Reference Service which serves as the principal national and international clearinghouse for the exchange of information on criminal justice issues.

Accomplishment and Workload:

Criminal justice officials throughout the country are faced with very difficult choices regarding prison crowding. The nation's prison population has nearly doubled in the last ten years, from 240,000 in 1975 to over 460,000 in 1984. Capacity, however, has failed to keep pace

so that currently some 39 states are under court order to address problems of prison crowding. This has produced an uncomfortable trade-off in sentencing policies between the risk of additional crime which accompanies probation or early release and an exacerbated prison crowding problem which accompanies higher incarceration rates and longer terms.

Recently, that trade-off has resulted in the increasing use of probation as the sentence for convicted felons. Nationwide, between 60 and 80 percent of all convicted criminals are sentenced to probation.

Important new Institute research demonstrates that this use of probation for felons poses a serious threat to public safety. A study of 1672 felony probationers in California found that 65 percent were rearrested, 51 percent were reconvicted (18 percent for serious violent crimes) and 34 percent were reincarcerated during a 40 month follow-up period.. Since we know that only a fraction of all crimes result in an arrest, these dramatic statistics clearly underestimate the total amount of crime committed by these probationers.

The Institute is examining ways to reduce the threat to public safety by improving our ability to make better decisions about risks posed by certain classes of offenders. Limited prison space can be allocated more sensibly by determining which inmates require expensive high-security confinement, and which can be placed in less costly facilities while still preserving the safety of the community. During the past several years, improved approaches to inmate classification have been developed. The National Institute is evaluating these model classification systems to determine how reliable they are in assigning offenders to the least costly confinement setting necessary to assure effective inmate control and enhanced community security.

Because of growing concerns about pretrial crime committed by released defendants, legislators across the country have been enacting public danger laws to permit the incarceration of dangerous defendants. These laws are currently being evaluated by the Institute. The evaluation should result in the development of improved pretrial procedures and guidelines for assessing the danger posed by particular defendants.

One important factor in the decision to detain or release appears to be drug usage. Research primarily funded by the NIJ has established that there is very strong correlation between drug use and criminality. Offenders have been shown to be up to six times more criminally active when using drugs than during periods when they abstain. In the past half decade the technology of urinalysis has advanced to the point where it can be used as a reliable means of detecting drug use. For example, current Institute research shows that more than 60% of all defendants in Washington, D.C. have illegal drugs in their system at the time of arrest. This on-going NIJ program is directed at curbing crimes by defendants released pending trial by placing them in either a treatment program or under narcotic surveillance. Surveillance entails periodic urine testing to ensure abstinence. In Washington, the Mayor and City Council have been so impressed with the results of the Institute experiment that they propose to assume the full costs of the urinalysis program at the end of the experimental period. City officials believe this strategy is cost-effective enough to warrant a 50% increase in the budget of the Pretrial Services Agency, despite an overall reduction in the Mayor's budget. The Institute is exploring replication of the program in other cities, expanding the program to include juveniles, and using urinalysis to supervise more closely offenders placed on probation or granted parole.

Despite a severe crowding problem in jails and detention facilities throughout the country, most jurisdictions rely on methods of making pre-trial release decisions which are neither systematic nor consistent. Low risk defendants may sit in jail for months because they can't make low bail, while violent offenders obtain bail and are released without supervision into the community. To improve bailsetting by making it more logical, consistent, and allow for more cost-effective use of scarce jail space, the National Institute of Justice and the National Institute of Corrections jointly sponsored an innovative experiment with bail guidelines in Philadelphia. This approach was recently adopted as policy by

the Philadelphia judiciary. A follow-up project is underway now which will develop guidelines in three different large city court systems to address a variety of pretrial danger and jail crowding concerns. Once the guidelines are developed, they will be used by some of the judges in each jurisdiction who set bail. The guidelines' effects on the detention population, failure to appear rates and pre-trial criminality will be compared with the release outcomes from a control group of judges who used the traditional system. It is expected that each of these measures will improve considerably.

A major cost and public safety problem in felony case processing is the high rate of attrition that occurs. For example, over half the felony charges that are filed are dismissed, about one-fourth of the charges are reduced and only about 25 percent lead to a felony conviction. Many of the cases which fall out of the system without a hearing or sanction result in a great deal of additional victimization by career criminals. In addition, they waste the valuable investigative resources which have been invested in making the arrest. The National Institute has initiated a major research effort to combat this serious problem. The overall goal of the program is a reduction in the rate of avoidable felony case attrition through improved case preparation and policy coordination between prosecutors and police in ten sites across the nation. Strategies to be evaluated include the use of checklists for improving evidence gathering, screening mechanisms for assessing evidentiary sufficiency on referral to the prosecutor, and prosecutor feedback to police on case outcome. This research will have many important policy implications for promoting improved coordination between police and prosecutors dealing with the arrest and conviction of felony offenders. The results should lead to more effective and efficient criminal justice processing of felony crimes.

Corrections departments have long relied on the private sector to furnish specific institutional services or operate aftercare facilities and programs. But some are now turning to the private sector for help in expanding prison industries, financing new construction, and managing primary confinement facilities. Some of the controversial issues of such arrangements -- quality, accountability, security and cost have been hotly debated by policymakers and widely reported in both the print and broadcast news media. However, there has been little documentation of experience and no comprehensive discussion of the issues. To respond to this need the National Institute of Justice developed two major projects. One was a special report to identify the major trends in the privatization movement. The report outlines the major issues surrounding the new proposals for private financing, construction, and operation of prisons and jails. In addition, the National Institute of Justice sponsored a national forum on the privatization of corrections. Directors of departments of corrections from all fifty states as well as sheriffs, private sector representatives, and policy level officials from all three branches of the Federal government met to discuss the issues and their respective roles in bringing about an appropriate level of private sector involvement in providing corrections services. Proceedings from the conference will be published and widely disseminated. In addition, the Institute is following closely those jurisdictions which are pursuing private sector corrections ventures in order to assess their experiences and provide critical new information to other jurisdictions. The Institute's goal in this area is to encourage a complete examination of alternatives to the currently overburdened corrections system, and to provide the states with timely information on the available alternatives so that they may avoid costly mistakes.

Victimization and the fear of crime have been shown to disrupt business and contribute to the economic decline of communities. Therefore, the NIJ has been encouraging a sharing of responsibility for responding to crime with the private sector. This increasing emphasis on involving the private sector in criminal justice issues has significant implications for assisting victims of crime. The National Institute recently completed a pilot project which involved ten major private sector corporations and organizations in developing model programs to help resolve the problems victims face, and to guide other companies and public information on sources in addressing victim needs. For example, CBS will expand its employee consultation service to include referral and education programs for employees who are victimized. UPS will involve its own retirees in a community outreach program to assist senior citizens, and Hollywood Presbyterian Medical Center has designed a comprehensive victim treatment center to provide a continuum of care to victims through medical, psychiatric and social services staff.

A major decision confronting a victim during the course of a violent crime deals with the form of response that is most likely to help the victim avoid injury and prevent the crime from being completed. Recently completed Institute research indicates that the type of victim resistence is the single best predictor of whether a victim will be injured and whether the crime will be completed. The study used National Crime Survey Victimization Data from 1973 - 1979 and examined victim responses to stranger-to-stranger crimes involving rape, robbery and assault. The research indicates that the lowest likelihood of both victim injury and crime completion is associated with nonforceful forms of resistance such as screaming, fleeing or verbally objecting. Forceful resistance was associated with a greater likelihood of victim injury but less chance of the crime being completed. Non-resistance on the part of the victim was associated with a low likelihood of injury but, not surprisingly, a high probability of crime completion. Therefore, nonforceful victim resistance seems to be associated with the most advantageous outcome for the victim.

Family violence is a serious national problem that traditionally has been treated as a private matter, despite research findings that it may be preventable. The Attorney General's Task Force on Family Violence has set out a national agenda for research and action. The National Institute of Justice will continue its experimental work on the deterrent effect of arrest in domestic violence cases. Completed Institute research conducted in Minneapolis has shown that the use of arrest was twice as effective in preventing a recurrance of violence than police counseling or separating the parties for a short period. As a result of this research, several major police departments have changed their policies in responding to domestic violence. Replication of this NIJ study in several larger and more diverse urban centers will provide the basis for further assistance to law enforcement agencies in their continuing development of policy and practice in domestic assault cases.

In addition, the Institute developed a special report "Confronting Domestic Violence: A Guide for Police Practitioners." This report discusses case processing of domestic abuse cases from initial arrest through final adjudication including batterer counseling, and the new Batterers Anonymous programs. The Institute has also completed its report on Child Witnesses who must appear in criminal court, usually against defendants who have physically or sexually abused them. Targeted to judges and prosecutors, the report provides state-of-the-art information on child development as it relates to competency to testify, and discusses various techniques judges and prosecutors can use to ease the trauma of these young victims. This project concluded that judges and prosecutors have many of these mechanisms available to them as a matter of judicial and prosecutorial discretion, and that extraordinary measures such as closed circuit television or videotaping are necessary only in extreme cases.

State and local law enforcement officials are often confronted with crimes committed by highly transient criminals whose modus operandi eludes investigators in a single jurisdiction. In response to this problem for the most serious of crimes, the FBI, Office of Justice Programs and the National Institute of Justice have co-sponsored the planning and initial development of a National Center for the Analysis of Violent Crime. The center, a resource patterned after the Center for Disease Control, is located at the FBI National Academy in Quantico, Virginia. The center will conduct research and provide training, technical assistance and information sharing for Federal, state and local agencies faced with similar patterns of violent crimes, especially serial murders, sexually related violence, adult or juvenile kidnapping and arson of unknown origins. The center will have four basic components: a research and development program, a profiling and consultation program, a violent criminal apprehension program (VI-CAP) and a training program. Local police officers will receive special training at the FBI Academy in criminal profiling and crime scene analysis. These local police investigators and the FBI agent specialist in each region will form an area crime scene assessment and profile team which will provide information on unsolved murders to the nation-wide VI-CAP network. In the future, with the acquisition of sophisticated analytic equipment, the program can be expanded and have Department-wide application in such areas as risk assessment, terrorism, national security and organized crime.

An important question confronting police executives is whether empirical crime analysis techniques can be used to allocate patrol units more effectively than traditional random or informal patrol patterns. Too often police crime analysis units have been used simply to supply statistics for the many reports required by local, state and federal agencies with little of value being provided to operational units of the police agencies. Clues from the evaluation of ICAP (Integrated Criminal Apprehension Programs) suggest that the use of information developed by crime analysis units concerning emerging crime patterns and management accountability can be much more effective. Also, the evaluation of the Institute's field test of Differential Police Response to Calls for Service provided ways for freeing the manpower to take advantage of targets of opportunity identified through crime analysis. The Institute has recently undertaken a major test of crime analysis techniques with the Newport News Police Department. The results are expected to improve crime control as well as officer deployment.

The $22 billion a year private security business has grown at such a rate that today it is nearly double the size of the public police. Unfortunately such growth has evolved in an isolated environment - one which often results in a lack of cooperation between public police and private security on matters of mutual importance. These findings emerged from the first national study of private security, recently completed by the National Institute of Justice. This research on private security and the police identified a number of problem areas and also the areas where improved cooperation is desired by both parties. NIJ is now working to disseminate the results of this research to police administrators and city councils where policy action might be taken locally. In addition, NIJ staff is meeting with practitioners in public enforcement, private security and national level associations of both groups to discuss the potential for policy action on a national level. Improved cooperation resolutions have already been adopted by the International Association of Chiefs of Police (IACP). Significant changes in this area can be expected over the next several years.

The Omnibus Crime Control Act of 1984 enhances the authority of Federal courts to levy fines and forfeit property. This authority has become particularly pertinent because a substantial portion of these revenues will no longer go to the U.S. Treasury but remain in the justice system as victim assistance funds. Thus, both the relevance and the magnitude of fines and forfeitures have been increased. Recently completed Institute research found that fines are rising in popularity among state court judges and that collection rates can exceed 80 percent. This research effort also found that while precise information on fine use and collection is not readily available, it involves well over a billion dollars annually. Key factors in realizing high collection rates were adequacy of record-keeping systems and determination to enforce payments even if on an installment plan. Therefore, the more effective use of fines may result in a satisfactory punishment option which results in income to offset the expense of adjudication rather than an additional drain on already scarce criminal justice resources.

Corruption in bid competition for public projects has proven to be very costly for the taxpayer, and a crime which is difficult to investigate and prosecute. In response to this problem, the Institute initiated research to identify collusive patterns on highway construction bids. This research has proven to be quite successful. Computer programs produced by the research have been used by the National Highway Traffic and Safety Administration as standard methods to screen for suspicious bids and have been transferred to state highway construction offices for local use. Most recently, the Department of Justice has launched two grand jury probes of bid-rigging in other areas based on cases isolated by the programs.

Police agencies face a sizeable task in keeping abreast of court decisions that affect their daily activities. Search and seizure is one issue that has been particularly thorny in recent years as there have been numerous challenges to the exclusionary rule, and confusion over what constitutes illegal search and seizure. The recent Leon decision and its endorsement of a so-called "good faith" exception to the exclusionary rule will assist law enforcement if implemented effectively. The Institute is conducting studies to determine those practices and procedures that are consistent with Leon and subsequent court decisions. Special emphasis is being placed on the collection and use of criminal evidence including search procedures. This information will be used to develop training materials for both new and experienced police patrol officers and investigators. These efforts respond directly to the Supreme Court caution in Leon which refers to the need for monitoring police actions relative to search and seizure.

American policing as it is practiced today has evolved in response to increased levels of crime and an expansive demand for service. Being largely reactive, police departments and their leadership rarely have the opportunity to consider seriously alternative ways of organizing and responding to crime problems. The Institute, therefore, has launched a series of Police Executive Seminars in conjunction with the Kennedy School of Government at Harvard University and some financial support from private foundations. The seminars involve the continuing participation of the Attorney General, the FBI Director, the police chiefs and Mayors of major cities, Britain's Home Office and representatives of the private sector and organized labor. The goal of the program is to devise a strategy for change in American policing which will respond to the urgent needs of the present and the challenges of the future.

National polls and surveys consistently show that crime control is of primary concern to the general public and that fear of crime remains one of the most prevalent social issues of the 1980's. In an effort to educate the public about crime control and the criminal justice system, the National Institute has sponsored the development of a series of twenty-two educational films on topics of interest to the general public. The series, Crime File, features researchers, crime experts and prominent criminal justice and government officials discussing issues related to subjects such as the exclusionary rule, repeat offenders, sentencing, victims of crime, family violence, the death penalty and the insanity defense. The series will be offered for sale to public television stations and will be featured at national conferences on criminal justice as well as at the training programs conducted at the FBI Academy.

As a means of increasing public awareness about the need for their active cooperation with the criminal justice system in controlling crime, the Institute has sponsored the production of a series of public service announcements which encourage citizens to "report, identify and testify". In partnership with the Institute, a major advertising agency developed the television spots, donating their expenses to the project.

Improvements in the management of the National Criminal Justice Reference Service (NCJRS) have resulted in reduced costs and expanded services. Presently, NCJRS provides services on a cost reimbursable basis not only for NIJ, but also for several other offices in the Department of Justice. The size of the data base continues to expand, from 70,000 items in 1983 to an expected 87,000 documents by 1987. The volume of sales from the NCJRS fee-for-service program has also been increasing. Sales of $260,000 in 1984 are planned to rise to $362,000 in 1987. The net income from these sales offset operating expenses. The expansion in the demand for research products through NCJRS, and the willingness of users to pay for services provides increasing evidence that there is a substantial market for criminal justice research information. The current Institute cost of operating the Reference Service is $2.7 million per year. That amount should be compared to the $5 million per year which the Institute was spending before the implementation of a wide range of cost-effective measures.

Activity: Criminal Justice Statistical Programs	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Justice Statistical Programs.....	...	...	$16,700	...	...	$16,700	...	...	$19,700	...	...	$3,000

This activity includes resources to accomplish the primary mission of the Bureau of Justice Statistics. These program funds support the interagency agreements with other Federal agencies, contracts with profit and non-profit corporations, and cooperative agreements and grants to State and local units of government for the collection, processing and tabulation of criminal justice statistics.

Long-Range Goal: To assist policy and decision makers at the Federal, State and local levels of government by providing for the collection, analysis, publication and dissemination of comprehensive and accurate statistical information concerning crime and the operation of this nation's criminal justice systems.

Major Objectives:

1. To collect, analyze, publish and disseminate statistical information on crime and the operation of justice systems to the President, the Congress, the Judiciary, the Department, State and local executives and officials, and the public.
2. To maintain and develop an analytic program which will address the implications of national criminal justice statistics for Departmental policy and legislative initiatives.
3. To recommend national standards for justice statistics and to ensure the interstate comparability, reliability and validity of justice statistics.
4. To conduct and support evaluations to improve the quality of justice statistics and to implement the recommendations therefrom.
5. To encourage the development, maintenance, and utilization of State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.
6. To ensure compliance with requirements relating to confidentiality and security of data.

Base Program Description: The Bureau of Justice Statistics (BJS) is responsible for all major national statistical series and other data sources concerning crime and criminal justice except the FBI's Uniform Crime Reporting (UCR) Program. The mission of the Bureau is twofold: to provide senior officials of the Justice Department, the White House, the Congress, the judiciary and the public with valid, timely, and policy relevant justice data and analyses, and to support the emerging capacity of State and local governments to use data as a cornerstone of their criminal justice programs.

BJS maintains thirteen major statistical series, including the National Crime Survey, National Prisoner Statistics, Annual Jail Survey, Uniform Parole Reports, National Probation Reports, Prison Census, Federal Criminal Justice Statistics, State Criminal Justice Statistics, Capital Punishment, Children in Custody, Quinquennial Jail Inmate Survey, Quinquennial Prison Census, and Quinquennial Prison Inmate Survey. The data from these series are used in answering requests for information from Congress, the White House, the judiciary, the Department of Justice, criminal justice agencies and organizations, academic researchers, the media, and the general public. BJS also publishes a regular series of bulletins and special reports which disseminate data from the series.
The National Crime Survey (NCS), the largest BJS series, is the Nation's principal source of information on crime victimization and the victims of crime, and the third largest survey conducted by the Federal Government. Under the NCS program, interviews are conducted with 135,000 persons in 60,000 households in order to obtain data on the impact, frequency and consequences of criminal victimization on the American public. The BJS corrections statistics program provides systematic information on correctional populations and facilities gathered from Federal, State, and local governments, and covers the major subunits of the corrections system - probation, jails, prisons, and parole. The overall program consists of five components: (1) annual National Probation Reports; (2) annual Uniform Parole Reports; (3) annual National Prisoner Statistics; (4) annual counts and characteristics of persons sentenced to death; and (5) quinquennial surveys of national samples of prison and jail inmates and censuses of State and local correctional facilities.

Most criminal justice activities in the nation take place at the State and local levels of government. A primary objective and legislative mandate of BJS is to support the States in the accurate and timely collection, aggregation, and analysis of State-level criminal justice data. This objective is accomplished primarily through the support of Statistical Analysis Centers (SACs) which analyze and disseminate statistical information, coordinate State criminal justice statistical activities among State, county and city agencies, and provide improved State data for BJS analyses; support is also given to State UCR programs which compile and analyze local law enforcement data and forward it to the FBI. Through extensive Federal funding over the years, BJS has created 44 SACs and has supported the development of approximately 45 State-level UCR systems.

Accomplishments and Workload:

Actual and estimated accomplishments of the Bureau of Justice Statistics are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Major statistical series maintained	13	14	13	13
Statistical and related reports prepared for BJS by grantees and contractors and published by BJS 1/	12	17	16	14
State statistical projects supported	62	57	64	64
Requests for data sets and documentation filled by criminal justice data archive	500	450	475	500
Information and technical assistance requests filled under BJS supported programs 2/	1,849	1,903	1,814	2,255

During 1985, the major statistical series which form the basis for BJS statistical reports were maintained. The analytical capabilities of BJS were strengthened by the transfer of analysts from the Bureau of the Census and, based upon the new staff resources, an expanded analytical program for 1985 was achieved.

During 1985, NCS-based publications included: an annual report on victimization; bulletins, Household Burglary (January 1985), The Crime of Rape (April, 1985), Households Touched by Crime (June 1985); and special reports, Criminal Victimization in the United States: 1984 (October 1985), and the Reporting Crimes to the Police (December 1985).

1/ Statistical reports previously prepared by the Bureau of the Census are being prepared by the Bureau of Justice Statistics staff beginning in 1984.
2/ Combination of information systems documentation and software disseminated as reported in 1986 budget.

In 1984, and early 1985, BJS in conjunction with the Bureau of the Census, processed more than 325,000 individual prisoner records received from 30 states under the National Corrections Reporting Program. These data cover all persons who entered or exited a prison in those states and all persons for whom parole supervision was terminated. Information derived from these records includes: sentence lengths and time served for each category of offense. In the fall of 1984 a complete census was conducted of 922 state prisons and state operated halfway houses. Data collected include crowding, staffing and staff composition, expenditures, and inmate composition. Sample surveys of local jails were conducted in June, 1984, and June, 1985, covering nearly 1200 local correctional facilities. Data were obtained on populations and sentence status. During 1985, pre-tests of the quinquennial Survey of Inmates of State Correctional Facilities were conducted in several States. The entire Survey, involving about 15,000 inmates, will be carried out in January and February, 1986. The corrections data series have produced a wealth of BJS publications including: Examining Recidivism (February, 1985), Prisoners in 1984 (April, 1985), Prison Admissions and Releases, 1982 (July, 1985), The Prevalence of Imprisonment (July, 1985), Capital Punishment, 1984 (August, 1985), Prisoners Mid-Year, 1985 (September, 1985), Probation and Parole, 1984 (September, 1985), Inmates of Local Jails (October, 1985). During 1985, BJS, under an agreement with Office of Juvenile Justice and Delinquency Prevention, received the authority to collect, process and analyze data on confinement facilities for juveniles (Children In Custody). Data collected during the year will be reported in mid-1986.

In the area of judicial statistics, State Court Caseload Statistics: Annual Report 1981 was published and disseminated. The 1982 caseload data were collected and prepared for publication. A jurisdiction guide to the proper use and comparison of the trial court data contained in the annual caseload reports was published and a guide to the use of the appellate data was prepared for publication. Public use data tapes, code books and documentation on the court caseload data were also prepared and submitted to the Criminal Justice Data Archives. Two bulletins, Case Filings in State Courts, 1983 (October 1984) and The Growth of Appeals, (February 1985) were released. An analysis of felony case processing in 35 jurisdictions was continued using data from the Prosecutor's Management Information System (PROMIS). A special report entitled The Prevalence of Guilty Pleas, using the PROMIS data, was released in December 1984. Finally, using a separately developed data base, a report on sentencing in 18 urban felony courts was prepared as a special report, Felony Sentencing in 18 Local Jurisdictions, summarizing the findings was released in May, 1985. Public use data tapes on these sentencing data were submitted to the Criminal Justice Data Archives for use by other researchers.

The implementation of the major BJS program in Federal case transaction statistics was continued during 1985. Under the program, data from the FBI, Executive Office for U. S. Attorneys, Administrative Office of the U. S. Courts, and Bureau of Prisons were merged into the first integrated data base tracing Federal cases from arrest through prosecution, adjudication and corrections. During 1984 - 1985, the data base was expanded to include data from additional investigative agencies (e.g., DEA) and to incorporate longitudinal data covering the four-year period 1979 - 1982, inclusive. The data base, which is updated annually, now permits analysis of immediate and long term issues associated with Federal criminal justice policy development and administration. The following major reports on key Federal issues were also prepared during 1985 utilizing the newly established data base: Federal Pretrial Release and Misconduct (February 1985), Federal Probation and Parole (June, 1985), Electronic Fund Transfer and Crime: A Pilot Study (March, 1985), and Victim/Witness Legislation (January, 1985). A compendium tracing Federal data by case category, Federal district, justice process and time period was prepared. A report on the proceedings of a major conference on Crime Control Strategies was issued as was a comprehensive compendium of victim/witness legislation, an update on state privacy legislation, and reports on data quality issues, and intelligence policy were issued.

BJS has continued comprehensive assessments of the Nation's two leading statistical series concerning crime: the Uniform Crime Reporting (UCR) program and the National Crime Survey (NCS). The UCR study, co-sponsored by BJS and the FBI, issued its final report in December, 1984. This report, entitled Blueprint for the Future of the Uniform Crime Reporting Program contains several significant recommendations for a redesigned

UCR, the most important being a change from summary reporting to unit record or incident-based reporting for all enforcement agencies and greater quality assurance. During the spring of 1985 this report was the subject of widespread public review. At the end of the review period in July, 1985, a decision memo was sent to the Attorney General who in September, 1985, endorsed fully its recommendations.

In 1985 the NCS Redesign Consortium, composed of a prime contractor and several sub-contractors, concluded most of the tasks involved in its in-depth examination of this nation's victimization survey. Final decisions were made on a series of short term improvements to be implemented in July, 1986, which are not expected to affect victimization rates; these include new questions on self-protection and contacts with police, and more detail on the crime incidents. BJS and the Census Bureau are continuing to examine several key design options which will make a fundamental change in the National Crime Survey, probably in July, 1988. These changes, including adoption of a longitudinal component, and a new set of questions to begin the interview in each household (screener questions) and use of centralized telephone technology, are expected to result in a "break" in the victimization statistical series. Implementation will be affected by Census procurement schedules, cost estimates, and by linkages with programs of the Bureau of Labor Statistics.

During 1985, BJS made awards to four States to support newly-created SACs, provided partial support to 27 established SACs serving as clearinghouses for statistical information, and funded eight cooperative programs with SACs for state criminal justice policy analysis. There are now 45 operational SACs. Data obtained from the SACs were used by BJS in multi-state analyses of specific aspects of criminal justice in the States. These analyses resulted in the publication of three reports: Time Served in Prison (June 1984), Sentencing Practices in 13 States (October 1984) and Returning to Prison (November 1984). During 1985, BJS provided modest funding to three States to maintain the quality of their UCR reporting to the FBI. In June, 1985 a three-day conference on "The Correction Population Explosion: Policy Choices for the States" was conducted by the Criminal Justice Statistics Association (CJSA) under BJS sponsorship.

The ten-year development of the Offender-Based Transaction Statistics (OBTS) program is becoming increasingly productive. In 1985 eight States provided calendar year 1982 data and nine States provided 1983 data; these data are being utilized for a special report on arrest/court offense changes and another in the series of Tracking Offenders bulletins. In addition, the data are being released through the Criminal Justice Data Archive to researchers at the State and local levels to assist them in their justice improvement studies.

In 1985 the Bureau had underway fifteen external research projects funded on a competitive basis. These projects are typically low cost with short turnaround times and high policy relevance. Among the projects funded are studies of crime in schools, plea bargaining, costs of the exclusionary rule, optimum procedures for habeas corpus petition processing, modeling criminal careers, patterns of career criminal recidivism and types of offenders and their arrest rates.

Finally BJS began or continued major new initiatives concerning police administrative and management statistics, pretrial statistics, nationally representative felony court and sentencing statistics, comparative international statistics on incarceration, Federal civil justice statistics and white collar crime statistics.

Program Change: An increase of $3,000,000 is requested to initiate the implementation of the redesigned Uniform Crime Report (UCR) program. During the 1970's numerous professional law enforcement groups urged the Department of Justice (DOJ) to conduct a review and assessment of the existing UCR program. Principal concerns centered around the validity and reliability of the data that were being received and the degree of detail of the data. DOJ responded to these requests and, with Congressional funding, conducted a thorough assessment of the UCR program for three years beginning in 1982. A vastly revised program was recommended which, when implemented, will significantly increase the amount and quality of information available to local police administrators, policymakers at all levels of government, the research and academic community,

and the public in developing strategies for crime control. The shift to detailed reports about individual crimes alone will increase the knowledge base of crime in the United States by several orders of magnitude. In particular, it will provide data on victim, as well as offender characteristics and relationships; it will afford law enforcement agencies the opportunity for crime pattern analysis with the inherent benefit of improved patrol force allocation; it will permit law enforcement agencies to share detailed crime data with citizens that could aid the latter in the initiation of defensive measures; it will provide data on crimes concerning which data has traditionally been lacking, namely drug related offenses, sex crimes, family violence and child abuse; and will permit rapid analyses of particular crime and criminal justice issues of special concern to police and policy makers. Finally, DOJ has been criticized for issuing seemingly disparate crime information based upon the National Crime Survey's victimization studies and the UCR program's crimes reported to the police.

The redesign program will go far to reconcile these two data sets and mitigate much of this criticism. The assessment recommended five major changes. First, the entire UCR system should be converted to unit-record reporting, either manual or automated, in which local law enforcement agencies would submit reports covering each individual criminal incident. This will provide much more detail than the current summary reporting system, including information about the who, what, why, how and when of criminal incidents. Such information has long been needed by practitioners and researchers and will increase greatly our knowledge of crimes and criminals. Second, two levels of reporting will be established. Under the first level, 95% of all agencies will provide data on each incident involving the eight crimes included in the current system. It would collect limited data on each incident, including type of victim (individual, business or other) and resident/non-resident status. Under the second level, the remaining 5% of the agencies would collect vastly expanded data on all incidents, including victim type, victim characteristics, victim-offender relationship, use of force/weapon, type of weapon, nature/extent of injury, day of week/time of day, type of location, and resident/non-resident status of victim. Agencies would be selected for the second level so that they constitute a representative statistical sample of the entire nation and of major regions allowing these data to be used for national and regional studies and analyses. Third, improved quality assurance will be initiated through the conduct of regular, ongoing audits of participating agencies to measure and reduce the incidence of reporting error. Fourth, the three major crime reporting series -- the UCR which covers crimes that are reported to the police, the National Crime Survey (NCS) which uses interviews with approximately 60,000 households annually to obtain data on crime victimization whether or not it is reported to the police, and the Offender Based Transactions Statistics (OBTS) system which follows offenders as they move through State criminal justice systems from arrest to final disposition -- should be made more complementary. Fifth, the publications series should be expanded to include (1) an annual UCR report that is more analytic and interpretive than the current report; (2) quarterly releases of crime counts and trends; (3) annual compilations similar to the present Crime in the U.S.; (4) a series of computer-generated special reports pertaining to agencies with similar characteristics; (5) occasional publications analyzing special issues about crime; and (6) a series related to methodology and technical documentation of the expanded UCR. Since the new program will clearly benefit both State and local data contributors, it is reasonable to expect that they will provide the overwhelming amount of the funding that will be needed. Recognizing, however, the voluntary nature of the UCR participation, the Federal Government, even in a period of fiscal austerity, must provide some financial support and technical assistance for the benefits which it will derive, particularly because a number of crimes of great interest to the Federal government are not addressed by the current UCR (including drug related crimes, family violence and child abuse) and would be addressed by the redesigned UCR. DOJ has established a positive cap of $10 million for the Federal share of this program spread over the next five years to supplement the more than $150 million expected to be expended by the State and local contributors. The UCR assessment concludes a historic undertaking, the first full scale, formal assessment of the UCR Program since it was developed 56 years ago. It has been enthusiastically endorsed by the Attorney General, the Federal Bureau of Investigation, every major professional law enforcement association, State Governors, academicians, legislators, and many in the media. The Deputy Attorney General has stated publicly that there is a "clear commitment on the part of the President and the Attorney General to see that the new UCR structure is put in place." The redesigned UCR program warrants and deserves early implementation.

Activity: State and Local Assistance

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Assistance.....	...	...	...	...	...	...	...	...	...	...	...	...

This budget activity provided formula and discretionary grant funds to assist states and localities in executing efficient criminal justice improvement programs.

Long-Range Goal: To provide financial and technical assistance to state and local entities to enable them to execute programs with a high probability of enhancing the criminal justice system, with emphasis on violent crime and serious offenders; and to provide assistance to public and non-profit agencies for the purpose of conducting education and training programs, providing technical assistance, carrying out national or multi-state projects, and demonstrating new programs.

Major Objectives:

1. To assist, via formula grants, states and units of local government in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system.
2. To undertake educational and training programs for criminal justice personnel.
3. To provide technical assistance to recipients of formula and discretionary grant funds.
4. To develop and implement national or multi-state programs which address violent crime, serious offenders, and the victim.

Base Program Description: This decision unit deals with the problems of crime -- particularly violent crime -- and its effects on the victim. Notwithstanding that the crime rate has recently declined, crime continues to be a pervasive problem in America which concerns all citizens, yet lacks an expeditious panacea. State and local governments are primarily responsible for crime prevention, therefore, the core of these programs was to provide Federal aid to assist state and local crime prevention efforts, and to furnish Federal leadership in order to acquire safer communities, an enhanced criminal justice system, and due process for victims. The Justice Assistance Act of 1984 established two new grant programs: a criminal justice formula grant program for state and local governments; and a discretionary grant program for public and nonprofit agencies.

The Act enumerates 18 purposes for state and local formula grant programs that have a high probability of improving the criminal justice system, with emphasis on violent crime and serious offenders. Formula funds will be awarded for various programs such as community crime prevention programs which join the community and law enforcement in cooperative anti-crime efforts; career criminal programs that focus on repeat offenders; court delay plans that help expedite prosecution; victim/witness assistance programs; prosecution management support systems; "STING" programs that intercede in the illicit commerce of stolen goods and property; programs that enhance police operations such as the Integrated Criminal Apprehension Program (ICAP); and several other programs that meet the purposes and criteria of the Act. Moreover, as much as ten percent of a state's formula grant funding may be designated for innovative programs. States that elect to participate receive a base allocation of $250,000. Thereafter, funds are allocated among the states based upon population. States are required to disperse to local governments a portion of their allocation that is equivalent to the local share of total state and local criminal justice expenditures.

Additionally, states must ensure that priority is given to those areas with the greatest need. Federal formula funds shall be matched dollar for dollar by state and local funds appropriated for criminal justice improvement.

The Justice Assistance Act also established a discretionary grant program which is intended to enhance the formula grant program. Discretionary grants may be awarded to both public and nonprofit agencies which shall be used for (1) technical assistance, education, and training; (2) national and multi-state projects; and (3) demonstration programs. Grants may be awarded for up to 100 percent of total project costs.

Accomplishments and Workload: The Bureau of Justice Assistance has awarded $54,836,000 of its total FY 84/85 allocation to 51 participating states (Kansas elected not to participate). Forty-five percent of these funds will go to the following four areas: community crime prevention (14%), career criminal/court delay (13%), victim/witness assistance (8%), and prosecution management support systems (10%). In addition eleven demonstration grants in three program areas, child sexual abuse, crime prevention, and family violence have been awarded.

The Bureau of Justice Assistance has funded several major programs that have had a substantial impact on the criminal justice system. One of BJA's major projects is the Community Crime Prevention program. The purpose of the Community Crime Prevention program is to join citizens with law enforcement officials to take on the responsibility of insuring the safety of our homes, work places, and neighborhoods. The success of these programs was evident when a recent Gallup Poll reported that one in six Americans lives in a community that has an organized, volunteer anti-crime program. The assistance BJA has provided in enhancing neighborhood organization and police department cooperation is a proven effective method in reducing crime. (As much as a 61% reduction in crime has been reported.)

The Career Criminal Prosecution Program is an effective program that has had a major impact on crime. The goal of the Career Criminal Prosecution Program is to improve public safety and disrupt foreseeable patterns of serious criminal activity through effective case management. The program has been very successful in enhancing both the quality of prosecution and the length of incarceration of violent and repeat offenders. Research and statistics confirm an increase in the rate of convictions for the most serious charges lodged against repeat offenders, a reduced reliance on plea bargaining, a higher rate of conviction, a higher rate of incarceration, and a substantial increase in the average length of sentence.

The Property Crime Program ("STING") is a major anti-crime program that was created to disrupt the illicit commerce of stolen goods and property. It is expected that "STING" operations will reduce the incidence of property crime; increase the rates of arrest, prosecution, and conviction of thieves and fences who support the stolen property redistribution system; reduce court costs by obtaining and presenting overwhelming evidence; develop information regarding the stolen property redistribution system; and recover and return stolen property to its rightful owners. The program will also enhance cooperation and coordination among Federal, state, and local enforcement agencies and prosecutors, and between the criminal justice system and the victims of property crime.

The Integrated Criminal Apprehension Program (ICAP) is a comprehensive planning, patrol, and investigative program aimed at developing improved systems of service delivery. It is expected that ICAP will greatly increase the clearance rate of violent crime cases as well as the arrest and prosecution of serious offenders. These benefits will be derived by instituting improved allocation and deployment of law enforcement patrol and investigative resources. ICAP will improve law enforcement agencies' field operations through the use of information derived from analysis. The program is also expected to refine law enforcement agencies' managerial capability to deliver services, direct resources, and deal with serious crime. Patrol officers will also become primarily responsible for the preliminary investigation of violent crimes.

Program Change: No budget authority is requested for this program in 1987. In addition, a rescission of all 1986 appropriated funds and $3,257,000 of unobligated 1984/85 discretionary funds has been requested. In view of the huge budget deficit and the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, many difficult budget decisions had to be made. One of these decisions resulted in an administration policy that the States or localities which receive program benefits should pay for them. Implementation of these programs can be shown to increase productivity and in many cases to reduce costs. Therefore, it is to the advantage of States and localities to provide funds for these programs because they will provide improved services and/or save the recipient money.

Activity: Emergency Federal Law Enforcement Assistance	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Emergency Federal Law Enforcement Assistance.....	...	...	$1,200	...	...	$1,200	...	...	$1,200	...	...	...

Long-Range Goal: To provide financial and technical support to assist states in responding adequately to law enforcement emergencies.

Major Objectives:

1. To assist states in providing an adequate response to uncommon law enforcement situations which are, or threaten to become, of serious or epidemic proportions, when state and local resources are inadequate to protect the lives and property of citizens or to enforce the criminal law.
2. To provide a rapid and coordinated Federal determination of state eligibility for assistance.
3. To assure a coordinated law enforcement response to emergencies and to avoid unnecessary Federal involvement in matters primarily of state and local concern, including planning activities and the enforcement of laws associated with scheduled public events.

Base Program Description: Natural disasters and crime epidemics strike states and localities arbitrarily and without warning, often exceeding the capacity of law enforcement resources to protect life and property, and to enforce the law. Over the past few years, Federal law enforcement assistance has been required by many states and localities, including: Seneca County, New York, to provide adequate law enforcement during the demonstrations at the Seneca Army Depot; Atlanta, Georgia, to provide an adequate response to the child murders; the State of Florida to provide an adequate response to the South Florida drug problem; the State of Washington to provide an adequate response to the devastation of Mt. St. Helens; Miami/Dade County, Florida, to provide an adequate response to the major civil disturbance following the "MacDuffie" case; the State of Alabama to provide an adequate response to the situation created by Hurricaine Frederick; and the State of New Mexico to provide an adequate response to the riot at the state prison.

Assistance, in the past, has included technical assistance, training, personnel, equipment, intelligence information, and funding. The specific funding that has been a part of these assistance efforts has generally taken the form of an LEAA/OJARS grant-in-aid. These grants have varied in size, in accordance with the scale of the emergency.

It is clear from the Justice Assistance Act of 1984 and its legislative history that certain situations are viewed as appropriate for emergency law enforcement assistance. Equally clear is the firm intention to avoid unnecessary Federal involvement or intervention in matters which are primarily of state and local concern. To this end the Act excludes assistance for planning or other activities related to crowd control for general public safety projects and assistance for a situation requiring the enforcement of laws associated with scheduled public events. Thus,

the high law enforcement costs associated with political conventions and international sporting events should be borne by the localities that sought them.

The Act authorizes the Attorney General to receive requests from state chief executives for designation of a state or local jurisdiction as a law enforcement emergency jurisdiction. Once submitted, the application is to be approved or disapproved within 10 days. The Attorney General will make his determination to approve or disapprove the application, after consultation with appropriate members of the Federal law enforcement community. If the Attorney General approves the application, the Federal law enforcement community will proceed to provide appropriate equipment, training, intelligence information, and personnel.

Accomplishments and Workload: A reprogramming action provided $800,000 for this activity in 1985. No requests for emergency assistance have been received to date. It is expected that in 1986 three to ten applications for emergency assistance will be received by the Attorney General.

Staff work required to administer the program includes: assistance in application preparation; application review; recommendations to the Attorney General and Assistant Attorney General; grant administration; financial administration; and, assistance coordination.

The Attorney General can make Federal assistance available in the form of equipment, training, intelligence information, personnel or funds. The use of funds will only be made where other forms of assistance are insufficient to assist the state.

Activity: Juvenile Justice Programs	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Juvenile Justice Programs.....	...	...	$3,897	...	...	$3,897	...	...	...	...	...	-$3,897

Long-Range Goal: To aid in the prevention, reduction, and treatment of juvenile crime and delinquency and to improve the administration of juvenile justice by providing financial and technical support to State and local units of government, public and private agencies, organizations and institutions.

Major Objectives:

1. To facilitate, through provision of technical/financial resources and national leadership:
   a. A 75% reduction in the number of status offenders and non-offenders held in secure detention and correctional facilities within three years from the date that each State/territory began participation in the Juvenile Justice and Delinquency Prevention (JJDP) Program.
   b. Removal of all status offenders and non-offenders from secure detention and correctional facilities within five years from the date that each State/territory began participation in the JJDP Program.
2. To develop and implement a nationwide strategy for achieving by 1986, a 75% reduction in the number of juveniles held in adult jails and lock-ups and for achieving, by 1989, removal of all juveniles from adult jails and lock-ups, in all States, and territories participating in the JJDP Program.

3. To facilitate separation of all juveniles found to be delinquent or status offenders from detention or confinement in any institution in which they have regular contact with adult persons incarcerated for criminal offenses.
4. To develop knowledge regarding juvenile delinquency and related deviant behavior including serious and violent juvenile crime among youths, which can be effectively used to prevent, treat and reduce delinquent and deviant youth behavior.
5. To use knowledge acquired through applied research to the development of programs which prevent juvenile crime, offer alternatives to the system and improve the administration of juvenile justice.
6. To disseminate knowledge acquired through research, data collection, and synthesis to the juvenile justice community.
7. To develop and support training programs for juvenile justice and alternative system practitioners and citizens involved in volunteer efforts.
8. To replicate, on a nationwide basis, programs and strategies which have been proven through research, demonstration, and evaluation to be effective in the reduction and control of juvenile delinquency, including serious/violent juvenile crime.
9. To provide for the development and support of new approaches, techniques and methods with respect to juvenile delinquency programs, in particular violent juvenile offenders.
10. To provide technical assistance to State and local governments, and other service providers, on the development and implementation of programs, related to violent juvenile crime, while at the same time addressing the issues of deinstitutionalization, separation, and jail removal.

Base Program Description: The Formula Grant Program represents 64% of the total amount appropriated for Juvenile Justice and Delinquency Prevention. This program provides funds to states and territories on the basis of population under the age of 18. To receive its share of funds, a state or territory must submit an annual plan that meets the criteria of the Juvenile Justice and Delinquency Prevention Act of 1974. The law requires that the priority of expenditures for these funds must be to provide alternatives to incarceration of status offenders and separation of juveniles and adults in institutions. In 1985, 52 states and territories participated in the program. The non-participating states were: Nevada, Wyoming, Hawaii, North Dakota, and South Dakota.

348

The National Institute of Juvenile Justice and Delinquency Prevention (NIJJDP) within the OJJDP, awards grants and contracts implementing a broad range of applied research to add to the knowledge base regarding the causes and correlates of juvenile crime and delinquency. The data gained is used in designing and refining OJJDP's discretionary grant programs, which are also evaluated by NIJJDP. In addition, NIJJDP is authorized to develop, conduct and provide for training programs. The Institute also, serves as the information collection synthesis and dissemination center for the Office and a mechanism has been established to gather information on the nature and extent of delinquency, justice system operations, and program information. The principal method of disseminating information, data, statistics, and program information is through the National Criminal Justice Reference Service.

The Special Emphasis program has been structured and funded in ways which call national attention to distinct juvenile justice issues. Specific performance standards are set for delivery of services. Each initiative has been funded as a group of projects, with emphasis on overall program goals as well as specific project objectives. Sizeable grants are made to permit comprehensive planning, and program planning, design and implementation are coordinated with the NIJJDP and the Formula Grants and Technical Assistance Divisions.

Technical assistance is provided to address major problems being experienced by juvenile justice agencies for which solutions have been found. The delivery methods that are used include structured observation at model operations, documentation, service brokering, workshops, training, cluster meetings, and consultations. In carrying out its coordinating functions, OJJDP works closely with the Coordinating Council on Juvenile

Justice and Delinquency Prevention. The office provides staff assistance for the Coordinating Council. In addition, OJJDP awards grants and contracts to support activities of private nonprofit groups and interagency efforts which lead to increased coordination of Federal juvenile programs and policies.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
1. States and territories participating in program	53	52	52	52
2. States in full compliance with deinstitutionalization provisions	50	50	51	51
3. States in compliance with separation requirements	41	41	46	46
4. States with established, adequate monitoring systems	53	52	52	52
5. New Special Emphasis initiatives funded	3	1	...	...
6. Special Emphasis initiatives continued	3	6	...	...
7. Inter-agency agreements entered into	6	8	...	...
8. Number of discretionary grants awarded	95	70	...	...
9. Instances of delivery of on-site technical assistance	939	700	805	820

Since enactment of the Juvenile Justice and Delinquency Prevention Act of 1974, the provision of Federal technical and financial resources has enabled participating States to undertake a number of system-wide improvements. The Formula Grants Program has had a significant impact on rates of incarceration throughout the United States.

Fifty of the States participating in the program have achieved full compliance with the statutory mandate to deinstitutionalize status offenders and non-offenders, in practical terms, this means that nearly 200,000 non-criminal juveniles have been removed from inappropriate institutional confinement, leaving approximately 22,000 in confinement in participating States.

Program Changes: A rescission of $60,797,000 in addition to the sequester of $2,906,000 is requested for 1986. No new funds are requested for 1987. The accomplishments section of this activity clearly shows that the major objectives of the Juvenile Justice and Delinquency Prevention Act have been met. One of the primary purposes of the Act was to deinstitutionalize status offenders by diverting them from the judicial system and out of secure detention facilities and into community-based non-judicial settings. To date, fifty States have achieved full compliance with this provision and 51 States are expected to be in compliance by the end of this fiscal year. We believe that the States which now participate in the program will continue to deinstitutionalize without the Federal governments money, and will be able to do so more successfully without the unyielding and strict requirements of Federal Law. Each state has a different set of circumstances and, without the need to comply with Federal mandates, will be able to adjust its programs to meet its own local problems and conditions. Since the funds OJJDP provided to States were insufficient to cover the full cost of deinstitutionalization, the individual States showed a commitment to deinstitutionalize status offenders in order to participate in the program. More than Federal money, in other words, was required for the States to join the program. With the termination of future OJJDP funding there is no reason to believe that the States will now retreat from their commitment, with the exception of perhaps amending the statutes to more nearly conform to local conditions.

The JJDP Act also provides that in order to participate in the program, delinquent juveniles shall not be held in institutions in which they have regular contact with adults, (Section 223 (a) (13)). Those States participating in the program have made sufficient progress under this section to deem these separation requirements an almost total success. The Federal government has awarded $816,000,000 in the past twelve years for Juvenile Justice programs or projects. There will always be programs and projects which can improve the Juvenile Justice System but the Department believes it is now time for the States and localities to fund such projects if they are of sufficient priority locally.

Activity: Missing Children	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Missing Children.....	...	...	$4,000	...	...	$4,000	...	...	$4,000	...	...	...

Long-Range Goal: To reduce the incidence of crimes against children, particularly kidnapping and sexual exploitation and to improve the criminal justice, social services and treatment system which are responsible for dealing with these crimes when they occur.

Major Objectives:

1. Ensure that there is effective coordination among all Federally funded programs related to missing children.
2. Establish and maintain a national resource center and clearinghouse to:
   a. provide technical assistance to local and State governments, public and private non-profit agencies and individuals in locating and recovering missing children;
   b. coordinate public and private programs to locate and recover missing children;
   c. nationally disseminate information on innovative missing childrens' programs, services, and legislation; and
   d. provide technical assistance to law enforcement agencies, private non-profit agencies, and individuals in the prevention, investigation, prosecution and treatment of the missing or exploited child case.
3. Periodically conduct national incidence studies to determine the actual number of children reported missing each year, the number of children who are victims of stranger abductions, the number of children who are victims of parental kidnappings, and the number of missing children who are recovered each year.
4. Compile, analyze, publish and disseminate an annual summary of research currently being conducted on missing children.
5. Prepare an annual comprehensive plan for assuring cooperation and coordination among all agencies and organizations with responsibilities related to missing children.
6. Provide a program to establish and maintain a national toll-free telephone line where individuals may report information regarding the location of missing children.

Base Program Description: The public and the criminal justice community have become increasingly concerned about runaways and other missing children. Alarming numbers of cases of abduction, sexual abuse, sexual exploitation and murder of children, are being found. Estimates of the number of missing children vary extensively. We do not know precisely how many children are abducted, how many run away, or how many are homeless. But even the most conservative estimates suggest that several hundred thousand children are missing.

The Missing Children's Act of 1984 established an Advisory Board on Missing Children. The Board is charged with: coordinating all Federal programs and activities related to Missing Children; establishing priorities for making grants and contracts funded from this activity; and approving an annual comprehensive plan for facilitating cooperation among all agencies with responsibilities relating to Missing Children. In its role of setting funding priorities the Missing Children's Advisory Board endorsed seven general funding priorities for 1985. They are as follows:

1. National incidence study to determine the numbers of missing children.
2. National study of law enforcement agencies policies and practices regarding missing children and homeless youth.
3. Assistance to the Federal Law Enforcement Training Center at Glynco for a training program for handling missing and exploited children cases.
4. Two areas of research will be explored: (1) relationship between missing and abducted children and sexual exploitation and the psychological consequences of abduction and sexual exploitation; and (2) the child victim as witness.
5. Training/public awareness program for practitioners involved with missing and exploited children.
6. Assistance to State clearinghouses for missing and exploited children.
7. Assistance to private voluntary organizations working on the issue of missing and exploited children.

Accomplishments and Workload: This is a new budget activity and the first year of appropriation was 1985. Therefore, only limited workload and performance summary data are available. In 1984, Juvenile Justice funds were used to establish a National Center for Missing and Exploited Children, to address these difficult issues and to assist families, citizen groups, law enforcement agencies,and other governmental institutions in a new national effort to ensure the safety and protection of our children.

During the first year of operation the Center has:

1. Trained over 7,500 law enforcement and social service professionals in more than 20 states.
2. Received over 150,000 telephone calls requesting information about missing children or assistance available from the Center.
3. Assisted law enforcement agencies in the investigation of 7,605 missing or exploited children's cases.
4. Developed, published, and mailed 456,000 brochures, manuals, and child safety guides.
5. Developed prevention and education programs and materials for parents, schools, law enforcement agencies, communities, volunteer organizations, and other local, State and federal institutions.

Activity: Public Safety Officers' Benefits Program	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public Safety Officers' Benefits Program.....	...	...	$11,400	...	...	$11,400	...	...	$11,400	...	...	...

Long Range Goal: To provide a death benefit of $50,000 to survivors of Federal, State and Local public safety officers who have died as a result of personal injury sustained in the line of duty.

59-584 O—86——12

Major Objectives:

1. To pay eligible claims within two weeks of the filing of a fully documented claim.
2. To issue determinations on ineligible claims within four weeks of the filing of the fully documented claim.
3. To conduct an appeal hearing within 60 days of an appellant's request.
4. To issue the appeal determination within 30 days of the official close of the appeal hearing.

Base Program Description: This decision unit addresses the problem of inadequate death benefits for the eligible survivors of Federal, state and local public safety officers who die from injuries received in the line of duty. P.L. 94-430 (42 U.S.C. 3796) authorizes a $50,000 death benefit when a Federal, State or local law enforcement officer, fire fighter, prison guard, or judicial official dies, in a duty status, as the direct and proximate result of a traumatic injury. If a widow and eligible children survive, the widow receives $25,000 and $25,000 is apportioned among the children. If there are no eligible children, the widow receives the full $50,000. Dependent parents are eligible for the death benefit when a widow and/or eligible children do not survive the deceased public safety officer.

Generally, the PSOB program staff receives a death report within one week of the public safety officer's death, usually from the employing agency. Claims are initiated by the PSOB staff when the death report is received. Employing agencies generally take from 75-80 days to file a complete claim. Eligible claims are paid within two weeks of being filed and documented; ineligible claims are processed within four weeks of being filed and documented.

When a claim is denied, appeal instructions are provided to the claimant. Appeals are heard within 60 days of the claimant's request and decisions are rendered within 30 days of the official close of the appeal hearing. Hearing officer denials may be appealed to the Director. Once an appeal is heard by the agency and the denial affirmed, the claimant may appeal directly to the U.S. Claims Court. Claims entering the Federal court system may take from 6 months to 2 years or more to resolve, depending on how rapidly the court and the claimant's attorney respond to statutory and procedural requirements.

Accomplishments and Workload: Actual and estimated accomplishments of the Public Safety Officers' Benefits Program from 1984 through 1987 are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Claims Initiated	259	277	300	300
Claims Closed*	230	304	290	290
Agency Appeals Requested	10	10	15	15
Agency Appeals Closed*	12	12	13	13
Courts Appeals Initiated	0	0	1	1
Court Appeals Closed*	1	2	1	1

* Explanation: Figures include newly initiated claims and appeals as well as active claims and appeals carried over from a previous year.

Claim processing objectives have been met in that the average eligible claim was paid within two weeks of completed filing, and the average ineligible claim was closed within four weeks of certified documentation.

The number of public safety officer death claims which were found eligible during the period 1979-1985 follows:

Fiscal Year	Claims Paid	Amount Paid
1979	258	$12.90 million
1980	234	$11.70 million
1981	269	$13.45 million
1982	217	$10.85 million
1983	214	$10.70 million
1984	188	$9.40 million
1985	226	$11.30 million

The 1985 increase to 226 paid claims at $11.3 million was generated by two factors: (1) there was an increase to 259 in reported deaths in 1984. This was reflected as an increase in 1985 payments; (2) an amendment to the PSOB statute authorized payment of the death benefit for federal public safety officers. This broadened coverage also contributed to the increase in 1985 payments.

The following is a breakout of claims paid by type of public safety officer:

	1982	1983	1984	1985
Law Enforcement Officers	152	160	134	144
Fire Fighters	56	43	44	61
Corrections Officers	7	6	8	7
Others	2	5	2	14

Activity: Mariel Cubans

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Mariel Cubans	...	...	...	...	...	...	...	...	...	...	...	...

Major Objective: To award grants to reimburse states for expenses incurred by reason of Mariel Cubans being incarcerated in State facilities.

Base Program Description: In the 1985 appropriation act, Congress provided $5,000,000 for the purpose of making grants to states for their expenses by reason of Mariel Cubans being incarcerated in state facilities for terms requiring incarceration for the period October 1, 1984 through September 30, 1985 following their conviction of a felony committed after having been paroled into the United States by the Attorney General. In the 1986 appropriation, Congress once again provided $5,000,000 for reimbursement of expenses to states for incarceration of Mariel Cubans for the period of October 1, 1985 through September 30, 1986.

Accomplishments and Workload: For FY 85 sixteen states housing 1,721 Mariel Cubans received $276.80 per inmate month. The Governor of each applicant state provided a certified listing of Mariel Cubans requiring incarceration. The list was then verified by the Immigration and Naturalization Service. On the basis of per capita allocation of $276.80 all states received a pro rata share of the $5,000,000. For FY-86, considering a number of factors, we have projected that reimbursement requests would equal and might exceed the total number of eligible verified inmates processed in FY 85.

Program Changes: A rescission of the 1986 appropriation of $4,785,000 is requested in addition to the $215,000 which was sequestered under Public Law 99-177. In addition, no new funds are requested for 1987. Only 16 states benefit from this program and only four of these receive $500,000 or more. In order to meet the goals of the Balanced Budget and Emergency Deficit Control Act of 1985, it is essential that lower priority programs which benefit only a very limited population be terminated.

Activity: Crime Control Programs	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Crime Control Programs	...	...	...	...	...	...	...	...	...	...	...	...

This activity provides for expenditures from programs which are not authorized by the proposed Justice Assistance Act but which were authorized by preceding legislation. The programs have been terminated and require no new budget authority in 1986. However, this activity is used to reflect obligations of prior year funding.

Activity: Regional Information Sharing System	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Regional Information Sharing System Programs	...	...	$1,467	...	...	$1,467	...	...	...	...	...	-$1,467

Long Range Goal: To enhance the ability of state and local criminal justice agencies to identify, target, and remove criminal conspiracies and activities spanning jurisdictional boundaries.

Major Objectives:

1. To encourage and facilitate the rapid exchange and sharing of information pertaining to known or suspected criminals or criminal activity among Federal, state, and local law enforcement agencies
2. To enhance coordination/communication among those agencies in addressing multi-jurisdictional crime
3. To provide technical and financial resources to augment existing multi-jurisdictional enforcement resources (including specialized equipment, training, and investigative expense).

Base Program Description: The RISS Program is designed to initially establish and now maintain regionally based information sharing centers throughout the United States to service state and local criminal justice agencies. The specific strategy is to maintain the operations of the six existing regional information sharing centers: the Mid Atlantic-Great Lakes Law Enforcement Network; the Mid-States Organized Crime Information Center; the New England State Police Information Network; the Regional Organized Crime Information Center; the Western States Information Network; the Rocky Mountain Information Network. Each of these projects is comprised of an information sharing capability, an intelligence analysis component, and a telecommunications system, and provides for investigative expenses in extraordinary situations, investigative equipment, technical assistance and training. In addition to these six information sharing projects, there is one other, LEVITICUS, which is a consortium of 18 agencies in six states committed to the investigation and prosecution of conspirators engaged in major white collar crime, primarily crimes related to energy industries. Each participating agency provides its enforcement resources, supplemented by Federal funds, and coordinates these resources with other agencies to focus on multi-jurisdictional offenses.

Accomplishments and Workload: The accomplishments of this activity are divided between the six Regional Information Sharing Systems and LEVITICUS. To date, LEVITICUS has referred over $168,000,000 in tax fraud cases to the IRS and an additional referral of $40,000,000 more is expected in the next six months. In addition, criminal charges have been filed against 240 defendants and civil charges filed against 180 individuals and business entities. The accomplishments of the Regional Information Sharing System are shown below. Accomplishments for 1986 assume full year funding of the projects.

			Estimates	
	FY 1984	FY 1985	FY 1986	FY 1987
Membership	1,669	1,892	2,144	-0-
Inquiries	20,996	26,788	34,178	-0-
Hits	7,371	8,689	10,243	-0-
Arrests	3,520	3,498	3,476	-0-
Narcotics Seizures	$828,336,701	$468,138,271	$468,000,000	-0-
Property Seizures	$13,727,069	$62,934,902	$16,000,000	-0-
Civil (RICO) Seizures	$96,050	$410,000,369	$410,000,000	-0-

Program Changes: No new funding is requested for FY 1987. In addition, a rescission of $8,007,000 of the 1986 appropriation is requested. This rescission is in addition to the $426,000 which has been sequestered as a result of the Balanced Budget and Emergency Deficit Control Act of 1985.

The original RISS projects were funded by the Department of Justice in the 1970's on a demonstration basis with the expectation that financial support for these intelligence networks would in time be assumed by the state and local law enforcement agencies which they serve. RISS projects have now grown to seven in number and consume approximately $10 million per year in scarce federal law enforcement funds.

Since the Carter Administration, this Department has urged that federal funding of RISS projects be phased out. Each year, however, the Congress has continued the funding of RISS projects through the Department of Justice appropriations acts or continuing resolutions. In the meantime, the RISS projects have undertaken no significant action toward securing a system of self-funding through contributions from the state and local law enforcement agencies which use their services.

In light of the Administration's determination to reduce the Federal deficit, many programs will have to be reduced or terminated. These projects are not of a high enough priority to be continued.

Activity: Management and Administration

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction & control, [illegible]	52	52	$3,360	52	52	$3,383	52	52	$3,383	...	...	...
Executive direction & control, BJS	43	44	2,508	43	44	2,528	43	44	2,528	...	...	...
Executive direction & control, OJJDP	62	62	2,682	62	62	2,692	24	30	1,673	-38	-32	$1,019
Executive direction & control, BJA	31	31	1,885	31	31	1,904	10	10	1,235	-21	-21	669
Executive direction & control, OVC and OJJDP, Program suport services	136	143	7,647	136	143	10,881	125	132	9,881	-11	-11	1,000
Total	324	332	18,082	324	332	21,388	254	268	18,700	-70	-64	-2,688

This budget activity consists of six sub-activities which provide the executive direction and control of all programs administered by the Justice Assistance Agency.

Long Range Goal: To administer the programs authorized by the Justice Assistance Act in the most effective and efficient manner possible.

Major Objectives:

1. To provide executive direction, control and coordination over the various OJP programs.
2. To develop annual research, development, testing, evaluation and dissemination program plans.
3. To monitor all on-going research projects.
4. To develop a range of program models which describe effective criminal justice strategies.
5. To maintain an effective and efficient criminal justice reference service.
6. To collect, analyze, and publish statistical information on crime and the operations of the justice systems at all levels of government.
7. To manage major national statistical series regarding crime, its victims, and the operation of the justice system.
8. To develop national standards for justice statistics to ensure the interstate comparability, reliability and validity of justice statistics.
9. To provide support to State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.
10. To develop statistical reports, focused analytic reports, bulletins and national advisories aimed at improving the understanding of the general public concerning crime, crime prevention, and the functions of law enforcement, judicial and correctional agencies.
11. To provide technical assistance to eligible institutions, agencies and individuals regarding implementation and operation of programs authorized by the Justice Assistance Act.
12. To direct and administer the Federal Surplus Property Transfer Program.
13. To direct and administer the Private Sector/Prison Industry Enhancement Certification Program.
14. To administer the Mariel Cuban program.
15. To prepare and disseminate program solicitations; review applications, concept papers or proposals; rate applicants and award grants, contracts, and cooperative agreements.

16. To direct and administer the State and local assistance block grant program.
17. To direct and administer the phase-out of Juvenile Justice Programs.
18. To direct and administer the Missing Children Program.
19. To direct and administer a program of Emergency Federal Law Enforcement Assistance.
20. To monitor all active grants, contracts and interagency agreements.
21. To prepare annual reports as required by the Justice Assistance Act.
22. To close out grants and contracts within 180 days of their end-date.
23. To develop and administer a program which provides grants to eligible crime victim compensation programs of 35% of amounts awarded during the preceeding year.
24. To develop and administer a program which awards grants to states to provide victim assistance programs.
25. To develop and administer a program which provides services to victims of Federal crimes.
26 To provide certain grant review and award functions in the most economical and efficient centralized manner.
27. To process and determine eligibility of claims for payment of benefits under the Public Safety Officers' Benefit program within two weeks of receipt of complete claims documentation.
28. To provide the full range of support services to the program offices.

Base Program Description: The Office of Justice Programs consists of the National Institute of Justice (NIJ), the Bureau of Justice Statistics (BJS), the Office of Juvenile Justice and Delinquency Prevention (OJJDP), the Bureau of Justice Assistance (BJA),the Office for Victims of Crime (OVC), and the Offices which provide direct program support as well as the traditional administrative support to the program offices. The functions and responsibilities of the five program bureaus and offices are described in the decision units for those programs, and therefore are not repeated here.

Accomplishments and Workload: The following table reflects some of the major accomplishments of the Office of Justice Programs:

Item	1984	1985	Estimates 1986	Estimates 1987
NIJ grants and contracts awarded	120	120	120	120
Research and evaluation projects monitored	240	245	250	250
Criminal justice workshops sponsored	24	26	28	28
Statistical bulletins and special reports prepared and reviewed	24	59	60	60
Statistical reports prepared for BJS	64	40	32	32
Statistical reports disseminated (in thousands)	459	495	495	495
Responses to requests for statistical information	6,300	3,500	3,500	3,500
Juvenile justice formula grants awarded	53	53	...	...
Juvenile justice special emphasis grants awarded	40	50	10	...
National institute of juvenile justice grants awarded	44	44	7	...
Juvenile justice technical assistance delivered (instances)	750	750	750	500
Juvenile justice active grants monitored	349	300	300	200

Item	1984	1985	Estimates 1986	1987
PSOB claims closed	230	304	290	290
PSOB appeals closed	12	12	13	13
Grants, contracts & inter-agency agreements closed	528	357	274	200
National Victims Resource Center requests	420	3,414	3,500	3,500
Victim correspondence	1,000	3,405	2,500	2,500
Awards to victim compensation providers	...	39	43	43
Awards to states for victim assistance programs	...	57	57	57
State and local block grants awarded	...	53	...	...
Technical assistance provided state and local governments	...	50	300	100
Victim technical assistance provided to private non-profit, educational and hospital institutions	100	300	300	300
Demonstration projects funded	...	...	12	...
Training workshops conducted	...	50	60	...

Program Changes: A decrease of 70 positions, 64 workyears, and $2,688,000 is requested below the 1987 base of 324 positions, 332 workyears, and $21,388,000. This reduction occurs in three sub-activities:

1. Executive Direction and Control, OJJDP -
The President's 1987 budget requests no new program funds for the Juvenile Justice program in 1987 and requests a rescission of the 1986 appropriation. Thus, Juvenile Justice staffing would be reduced by 38 positions and 32 workyears in 1987. As previously established, the Juvenile Justice program will require 42 months to close down after the last year of funding (this submission assumes 1985 is the last year of funding). This is because the formula grants are for a period of two years plus the year of award. The grantees and sub-grantees then have 90 days to complete expenditures and 45 days to close out the grants. Accordingly, there will be a need for staff to close out the program for 30 months after the first year of termination (1986). The requested reduction will leave a staff of only 24 to administer the Missing Children program and to responsibly close out the Juvenile Justice program during 1987. In 1988 we will propose a further reduction of 10 positions and 13 workyears. In 1989 an additional 10 positions and 13 workyears would be cut. The remaining four positions would administer the Missing Children program. However, if the 1986 rescission is not approved, the first year of termination will be 1987 and the reduction should be amended to 22 positions and 16 workyears which would leave a staff of 40 positions and 46 workyears. The further reduction of 16 positions would take place in 1988 which would become the second year of phase-out.

2. Executive Direction and Control, BJA -
A reduction of 21 positions and 21 work years is requested in 1987. This is in addition to a reduction of 10 positions and 10 workyears in 1986 as a part of the requested rescission of 1986 program dollars. This will leave 10 positions and workyears to administer the PSOB, Emergency Assistance, Prison Industry, and Surplus Property Programs as well as programatically assisting in the phase-out of the grants made from 1984 and 1985 appropriations. If the 1986 rescission is not approved, 1987 will be the first year of termination and the reduction should be 10 positions and workyears which would leave a staff of 31 positions. An additional 21 positions and workyears would be eliminated in 1988.

3. Program Support and Administrative Services -
A reduction of 11 positions, 11 workyears and $1,000,000 is requested in 1987. This is a decrease due to the Attorney General's desire to reduce administrative costs. The 11 workyears will be saved through installation of productivity improvements such as cross servicing by the Department and tight controls on staffing actions. It is believed this reduction can be accomplished through attrition. In addition to the savings realized from the reduction of 11 workyears, we will explore other methods of cutting costs such as the purchase of word processing and computer equipment rather than leasing.

Office of Justice Programs

Justice Assistance

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal Justice Statistical Programs		Juvenile Justice Program		Regional Information Sharing System		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/GM-15	...	...	...	...	...	...	-9	-$438	-9	-$438
GS/GM-14	...	...	...	...	...	...	-12	-508	-12	-508
GS/GM-13	...	...	...	...	...	...	-10	-360	-10	-360
GS-12	...	...	...	...	...	...	-11	-342	-11	-342
GS-11	...	...	...	...	...	...	-6	-156	-6	-156
GS-10	...	...	...	...	...	...	-2	-48	-2	-48
GS-9	...	...	...	...	...	...	-7	-154	-7	-154
GS-8	...	...	...	...	...	...	-1	-20	-1	-20
GS-7	...	...	...	...	...	...	-5	-90	-5	-90
GS-6	...	...	...	...	...	...	-4	-64	-4	-64
GS-5	...	...	...	...	...	...	-2	-28	-2	-28
GS-4	...	...	...	...	...	...	-1	-13	-1	-13
Total positions and annual rate	...	...	...	...	...	...	-70	-2,221	-70	-2,221
Lapse	...	...	...	...	...	...	6	315	6	315
Net full-time permanent	...	...	...	...	...	...	-64	-1,906	-64	-1,906
Other personnel compensation	...	...	...	...	...	...	...	-63	...	-63
Total workyears and personnel compensation	...	...	...	...	...	...	-64	-1,969	-64	-1,969
Personnel benefits		...		...		...		-322		-322
Benefits to former personnel		...		...		...		930		930
Travel and transporation of persons		...		...		...		-265		-265
Communications, utilities, and miscellaneous charges		...		...		...		-80		-80
Printing and reproduction		...		...		...		-156		-156
Other services		3,000		-1,700		...		-681		619
Supplies and materials		...		...		...		-80		-80
Equipment		...		...		...		-65		-65
Grants, subsidies and contributions		...		-2,197		-1,467		...		-3,664
Total workyears and obligations, 1987	...	3,000	...	-3,897	...	-1,467	-64	-2,688	-64	-5,052

Office of Justice Programs

Justice Assistance

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Section 102(b) of the Justice Assistance Act of 1984 requires the Assistant Attorney General to submit an annual report to the President and Congress by March 31 of each year. The report will be submitted on time.

2. Section 810 of the Justice Assistance Act of 1984 requires the Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice to submit to the President and the Speaker of the House of Representatives and the President of the Senate by April 1 of each year, a report on their activities. The annual reports for each unit will be submitted on time.

3. Section 1407(h) of the Victims of Crime Act of 1984 requires a report by the Attorney General on the effectiveness of the Act submitted to the President and Congress on the revenue derived from each source described in section 1302 and on the effectiveness of activities supported under the Act. The first report is due on December 31, 1987.

4. Section 405(c)(3) of the Missing Children's Assistance Act requires the Advisory Board on Missing Children to submit to the President and Congress the first annual comprehensive plan for facilitating cooperation and coordination among all agencies and organizations with responsibilities relating to missing children. The report is due not later than 18 months subsequent to October 12, 1984, and will be submitted by March 31, 1986.

5. The Juvenile Justice and Delinquency Prevention Act of 1974, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to submit to the President and Congress by December 31 each year an analysis and evaluation of Federal juvenile delinquency programs. This is currently being revised and will be submitted in February, 1986.

6. The Juvenile Justice and Delinquency Prevention Act of 1974, as amended, also requires the President, within 90 days of receiving the annual report addressed in item 5, to submit a response on the report to the Congress and the Federal Coordinating Council on Juvenile Justice. This report will be submitted on time.

7. The Conference Report relating to the Department of Justice Appropriations Act of 1986 (PL 99-180) requires the Department to submit to Congress quarterly reports on program obligations and expenditures (presumably by OJJDP) for the prior quarter and on plans for obligations and expenditures for the next quarter beginning January 1, 1986. The first report has been submitted. Future reports will be sumitted by the 20th of the month following the end of the quarter.

Office of Justice Programs

Justice Assistance

Priority Rankings

Base Program

Program	Ranking
Management and Administration	1
Criminal Justice Statistical Programs	2
Research, Evaluation & Demonstration Programs	3
Public Safety Officers' Benefits Program	4
Missing Children	5
Emergency Assistance	6

Program Increases

Program	Ranking
Criminal Justice Statistical Programs	1

Office of Justice Programs

Justice Assistance

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Decreases	1987 Total
Attorneys (905)	10	10	...	10
Other Legal and Kindred (900-998)	2	2	...	2
Social Sciences, Economic and Kindred (100-199)	65	57	-17	40
Personnel Management (200-299)	10	10	-2	8
General Admin., Clerical and Other Services (300-399)	164	162	-45	117
Accounting and Budget (500-599)	24	24	-4	20
Engineering and Architecture Group (800-899)	1	1	...	1
Information and Arts Group (1000-1099)	9	9	...	9
Business and Industry Group (1100-1199)	18	18	-2	16
Library and Archives Group (1400-1499)	4	4	...	4
Mathematics and Statistics Group (1500-1599)	24	24	...	24
Equipment, Facilities and Service Group (1600-1699)	1	1	...	1
Supply Group (2000-2099)	2	2	...	2
Total	334	324	-70	254
Washington	334	324	-70	254

Office of Justice Programs

Justice Assistance

Summary of Adjustments to Base
(Dollars in thousands)

	Perm Pos.	Work-years	Amount
1986 as enacted	334	342	$203,982
Proposed rescission	-10	-10	-122,109
Sequestrations in lieu of rescissions	...	...	-5,727
1986 revised appropriation anticipated	324	332	76,146
Adjustments to base:			
Uncontrollable increases:			
Restoration of management and administration to 1986 program level	...	...	2,031
Within-grade increases	...	...	146
Federal Employees' Compensation Act (FECA) - Workers Compensation	...	...	122
GSA rent	...	...	702
GSA recurring reimbursable services	...	...	8
Telephone system line charges	...	...	80
GPO printing costs	...	...	31
Departmental printing and reproduction costs	...	...	11
Postal service increases	...	...	48
General pricing level adjustment	...	...	69
Annualization of automated system operating costs	...	...	70
Total, uncontrollable increases	...	...	3,318
Decreases:			
Federal Telecommunications System (FTS)	...	...	-12
Total, decreases	...	...	-12
1987 Base	324	332	79,452

Office of Justice Programs

Justice Assistance

Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Uncontrollable increases:	
1. Restoration of management and administration to 1986 program level.....	$2,031
The 1986 appropriation for managment and administration was reduced by $2,031,000 because of the failure of Congress to rescind these funds in 1985. Since this amount was not rescinded in 1985 it was still available in 1986.	
2. With-in grade increases.....	146
This request provides for additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $133,000 and benefits $13,000 = 146,000)	
3. Federal Employees' Compensation Act (FECA) - Workers' Compensation.....	122
This increase reflects the billing provided by the Department of Labor for the actual costs in 1985 of employees' accident compensation. The 1987 amount will be $176,000 or $122,000 over the 1986 base.	
4. GSA rent.....	702
Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $702,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.	
5. GSA recurring reimbursable services.....	8
Reimbursable payments are made to the GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $8,000 over 1986 charges of $168,000.	

	Amount
6. Telephone system line charges..... Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and dat Private Branch Exchanges (PBX). Funding of $80,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connectorlines.	80
7. GPO printing costs..... The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $515,000. An additional $31,000 will be required in 1987.	31
8. Departmental printing and reproduction costs..... The Department is currently projecting a 5 percent increase over the 1986 printing cost of $210,000. An additional $11,000 will be required in 1987.	11
9. Postal service increases..... In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $48,000 provides for a 10 percent increase over the 1985 budgeted base of $480,000.	48
10. General pricing level adjustment..... This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs, and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	69

	Amount
11. Annualization of automated system operating costs.....	70

Under the Justice Assistance Act, BJS acquired new directions and responsibilities and has evolved from a staff primarily responsible for the processing and monitoring of grants, contracts and cooperative agreements to one which performs statistical analyses, produces Bulletins, Special Technical Reports and depends more on internal staff to meet its goals and objectives. The tight control on the number of personnel has caused BJS to turn increasingly to the use of automated equipment, such as word processors, microcomputers, and telecommunications terminals, to meet the expanded demand by the White House, the Department, the Congress, and the criminal justice community.

In 1984 BJS acquired eighteen statistical analysts and support personnel from the Bureau of Census. With the addition of these personnel, there was a quantum increase in the reliance on in-house staff to perform statistical analyses and prepare reports. BJS soon found that the existing automated system was unable to provide the comprehensive support that is critical to its operations. Accordingly, in 1985 and 1986 BJS upgraded or replaced the older word processing, data processing, graphics and communications equipment and terminals with a more flexible and versatile integrated office automation system. The initial cost of this upgrading was funded from deobligated contracts and purchase orders which had expired. The new system is inherently complex and more costly thatn the relatively simple word processing system which was replaced. This system, however, has increased the productivity of the BJS staff from data entry through analysis to composition for publication.

An additional $70,000 is needed to annualize the increased lease and maintenance costs for the new system.

Total uncontrollable increases.....	3,318
Decreases (automatic non-policy):	
1. Federal Telecommunications System (FTS).....	-12

The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $12,000 will be subtracted from the 1986 base of $98,000.

Total decreases.....	-12
Total adjustments to base.....	3,306

Office of Justice Programs

Justice Assistance

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level, IV, $72,300	4		4		...	
ES-5, $70,500	1		1		...	
ES-4, $68,700	5		5		...	
ES-3, $66,232	1		1		...	
ES-2, $63,764	1		1		...	
GS/GM-15, $52,262-67,940	33		24		-9	
GS/GM-14, $44,430-57,759	64		52		-12	
GS/GM-13, $37,599-48,876	60		50		-10	
GS-12, $31,619-41,105	41		30		-11	
GS-11, $26,381-34,292	18		12		-6	
GS-10, $24,011-31,211	4		2		-2	
GS-9, $21,804-28,347	17		10		-7	
GS-8, $19,740-25,662	9		8		-1	
GS-7, $17,824-23,170	21		16		-5	
GS-6, $16,040-20,855	19		15		-4	
GS-5, $14,390-18,710	16		14		-2	
GS-4, $12,862-16,723	8		7		-1	
GS-3, $11,458-14,896	2		2		...	
Total, appropriated positions	324	$12,968	254	$10,880	-70	-$2,088
Pay above stated annual rates	...	48	...	48	...	...
Lapses	...	...	6	315	6	315
Net full-time permanent	324	13,016	260	11,243	-64	-1,773
Other than full-time permanent:						
Part-time permanent	5	$215	5	$215	...	...
Temporary employment	2	76	2	76	...	...
Other part-time and intermittent employment	1	18	1	18	...	...
Other personnel compensation:						
Overtime	...	15	...	10	...	-5
Other compensation	...	70	...	12	...	-58
Special personal services payments	...	130	...	...	...	-130
Total, workyears and personnel compensation	332	13,540	268	11,574	-64	-1,966
Average ES Salary		($68,000)		($68,000)		
Average GS/GM Salary		($38,894)		($41,517)		
Average GS/GM Grade		(11.23)		(10.86)		

Office of Justice Programs

Justice Assistance

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate a/ Workyears	1987 Estimate a/ Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11	Personnel compensation:						
11.1	Full-time permanent	324	$13,016	260	$11,243	-64	-$1,773
11.3	Other than full-time permanent	8	309	8	309	...	...
11.5	Other personnel compensation	...	85	...	22	...	-63
11.8	Special personal services payments	...	130	...	...	...	-130
	Total, workyears and personnel compensation	332	13,540	268	11,574	-64	-1,966
	Other objects:						
12	Personnel benefits		1,454		1,254		-200
13	Benefits for former personnel		18		948		930
21	Travel and transportation of persons		626		448		-178
22	Transportation of things		5		3		-2
23.1	Standard level user charges		870		1,531		661
23.3	Communications, utilities and miscellaneous charges		1,158		998		-160
24	Printing and reproduction		760		625		-135
25	Other services		19,288		20,750		1,462
26	Supplies and materials		275		200		-75
31	Equipment		1,215		10		-1,205
41	Grants, subsidies, and contributions		73,173		24,659		-48,514
42	Insurance claims and indemnities		12,319		11,400		-919
	Total obligations		124,701		74,400		-50,301
	Unobligated balance, start of year		-61,112		...		
	Unobligated balance, proposed rescission		12,557		...		
	Unobligated balance, end of year		...		...		
	Total requirements		76,146		74,400		
	Relation of obligations to outlays:						
	Total obligations		124,701		74,400		
	Obligated balance, start-of-year		160,628		116,259		
	Obligated balance, end-of-year		-116,259		-37,105		
	Outlays		169,070		153,554		

a/ The distribution by object class has been revised to include the effect of the 1986 rescission.

Office of Justice Programs
Crime Victims Fund
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Summary of Requirements	3
Justification of Program and Performance	4

Office of Justice Programs

Crime Victims Fund

Summary Statement

Fiscal Year 1987

The Crime Victims Fund was established by the Victims of Crime Act of 1984 (P.L. 98-473). Federal criminal fines, forfeitures, and penalty assessments are deposited into the Fund. The funds are used for three programs. Up to 5 % of the funds may be used to provide victim services to victims of Federal crimes. Fifty percent of the funds are to reimburse state victim compensation programs for up to 35% of their prior year expenditures. The balance is to be used to make grants to states to provide financial support to victim assistance programs. Any funds currently collected which exceed $100,000,000 are deposited in the General Fund of the Treasury. The request for 1987 proposes an obligation limitation of $35,000,000 which will still be sufficient to encourage development of additional crime victim programs at the state and local level. In addition, the $65,000,000 in savings can be used to offset the Federal deficit.

Office of Justice Programs

Crime Victims Fund

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include new appropriation language listed below.

Not to exceed $35,000,000 shall be obligated during fiscal year 1987 for victim compensation and assistance programs, notwithstanding section 1402, 1403, or 1404 of the Victims of Crime Act of 1984 (Public Law 98-473).

Explanation of Changes

New language is proposed for both 1986 and 1987 in order to impose an obligation limitation.

a/ Obligations incurred in fiscal year following year of collections.
b/ Earlier reported amount of -$7,394,000 not included in budget authority or outlays because it represents offsetting collections rather than expenditure of obligations.

OFFICE OF JUSTICE PROGRAMS

CRIME VICTIMS FUND

JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity Resource Summary
(Dollars in thousands)

Activity: Crime Victims Fund

	1986 Obligations	1987 Estimate
Victim Compensation	$23,629	$17,500
Victim Assistance	41,288	17,500
Total	64,917	35,000

The Crime Victims Fund was established by the Victims of Crime Act of 1984. Funds collected from Federal criminal fines, forfeitures, and penalty assessments up to $100,000,000 are deposited in the Fund. The funds collected in one year are then awarded to the states in the following year for victim compensation and assistance programs.

Long Range Goal: To ensure that victims of crime have access to compensation and assistance programs designed to reduce the emotional, financial, and physical effects of victimization and to support and facilitate the participation of crime victims in the criminal justice process.

Major Objectives:

1. To implement the provisions of the Victims of Crime Act of 1984.
2. To monitor state compensation and victim assistance programs to ensure compliance with Federal guidelines.
3. To provide technical assistance to the states in implementing victim assistance and victim compensation programs.
4. To compile and analyze data submitted by the state programs.
5. To prepare a report to Congress on the progress and achievements of the victim compensation program.
6. To monitor compliance with the Attorney General's Guidelines for Victim and Witness Assistance.

Base Program Description: The victims of crime program is funded by collections of fines, penalty assessments, and bond forfeitures from people convicted of Federal crimes. The funds are deposited on a regular basis into the Crime Victims Fund established in the Treasury. Funds are not obligated during the year of collection. They are allowed to accumulate for one year so that the total amount is known for computation of the amounts to be distributed to each state for compensation and assistance. Therefore, funds collected in 1985 are awarded in 1986 and funds collected in 1986 will be awarded in 1987. A total of $68,313,000 was deposited in the fund during 1985. It is anticipated that collections will increase in 1986 and that they will total $100,000,000.

General Statement

Mr. Dwyer. We are pleased to welcome to the committee today the Assistant Attorney General for the Office of Justice Programs, Lois Herrington.

Ms. Herrington, please proceed with your statement at your own pace.

Ms. Herrington. Thank you very much, Mr. Chairman.

I also wish to express my appreciation for your rescheduling the order of the testimony. With me today is my Deputy Assistant Attorney General, Rick Abell; Administrator of the Office of Juvenile Justice and Delinquency Prevention, Mr. Al Regnery; Verne Speirs, Administrator of the Office for Victims of Crime; also the Director of the Bureau of Justice Statistics, Mr. Steve Schlesinger; in back is the Director of the Bureau of Justice Assistance, State and local, Mr. Mack Vines; and Chip Stewart, the Director of the National Institute of Justice. Al Vander-Staay, the Budget Officer, is to my left.

Are we as large as the group before?

Mr. Dwyer. No, larger.

Ms. Herrington. I apologize.

Mr. Dwyer. Proceed.

Ms. Herrington. I am pleased to have the opportunity to appear before you in support of the 1987 budget request for the Office of Justice Programs.

The request is for $74,400,000 and 254 positions, which represents a net decrease of $1,746,000 and 70 positions from the $76,146,000 revised appropriation request for 1986.

Included in this request is a net increase of $3,306,000 for a number of uncontrollable increases and decreases; an increase of $3,000,000 for Criminal Justice Statistical Programs; a decrease of $3,897,000 for Juvenile Justice Programs; a decrease of $1,467,000 for Regional Information Sharing Systems; and a decrease of $2,688,000 and 70 positions for Management and Administration.

CRIMINAL JUSTICE STATISTICAL PROGRAMS

An increase of $3,000,000 is requested for Criminal Justice Statistical Programs to initiate the implementation of the redesigned Uniform Crime Reporting (UCR) program.

The principal charges will be to convert the entire system from the current summary system to unit-record reporting in which local law enforcement agencies would submit reports covering information about the who, what, why, how, and when of each individual criminal incident and to establish two levels of reporting detail.

This vastly revised program will significantly increase the amount and quality of information available to local police administrators, policymakers at all levels of government, the research and academic community, and the public in developing strategies for crime control.

Recognizing the voluntary nature of the UCR participation, the Federal Government, even in a period of fiscal austerity, must provide some financial support and technical assistance for the benefits which it will derive, particularly because a number of crimes of

great interest to the Federal Government will be addressed by the redesigned UCR.

The UCR program redesign has been enthusiastically endorsed by the Attorney General, the Federal Bureau of Investigation, every major professional law enforcement association, state governors, academicians, legislators, and many in the media. The Deputy Attorney General has stated publicly that there is a "clear commitment on the part of the President and the Attorney General to see that the new UCR structure is put in place."

STATE AND LOCAL ASSISTANCE

Last year we launched a new program of limited financial and technical assistance to State and local criminal justice agencies. This budget requests no new funds for the program in 1987. The budget also reflects a proposed rescission of the 1986 appropriation and some unobligated carryover funds.

In view of the huge budget deficit and the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, many difficult budget decisions had to be made. One of these decisions resulted in an Administration policy that the states or localities which receive program benefits should pay for them. Implementation of these programs can be shown to increase productivity and, in many cases, to reduce costs. Therefore, it is to the advantage of states and localities to provide funds for these programs, because they will provide improved services and/or save the recipient money.

Accordingly, the decision was made to terminate this program in 1986. I want to assure this committee that termination of this program will not end development and testing of new and innovative criminal justice programs. The National Institute of Justice has the responsibility to research, test, and demonstrate new and innovative criminal justice methods. Funding for this program has been requested at the prior year level.

JUVENILE JUSTICE PROGRAM

The President's budget reflects a rescission of most of the 1986 appropriation for Juvenile Justice Programs. This submission assumes congressional approval of that request and, in addition, requests no new funding for Fiscal Year 1987. The proposed reduction of $3,897,000 shown in the budget is the amount of 1986 funds obligated or firmly committed at the time the decision to rescind the 1986 appropriation was made.

As you are aware, the Administration has requested the Congress to terminate the Juvenile Justice Program since 1982. There are several reasons for this.

The first and foremost is that we believe the Juvenile Justice Program has achieved its major statutory thrusts—deinstitutionalization of status offenders, separation of juvenile offenders from adults, and removal of juveniles from adult jails and lockups. The most recent report for 1984 indicates that since the beginning of the Juvenile Justice Program in 1974, the number of status offenders and non-offenders held in secure correctional facilities has been

reduced by 97 percent, and the number of juveniles held in regular contact with adult offenders has been reduced by 83 percent.

The third major thrust is to remove juveniles from adult jails and lockups. This legislative thrust was added to the Juvenile Justice Act in 1980, and the states are required to be in compliance beginning December 31, 1985. The only compliance information known at this time is that 20 states have enacted legislation in support of the jail removal mandate.

Supporters of this program will argue that Federal funds should be made available until the states are in 100 percent compliance with these three thrusts. Although this is a high ideal, the same argument could be made for a large number of programs. This Administration believes that the size of the deficit and the requirements of the Balanced Budget and Emergency Deficit Control Act simply do not permit Federal funding of every program which has desirable goals. The Federal Government has provided over three quarters of a billion dollars during the past 11 years, and as previously stated, the major thrusts of the Act have been, to a great extent, achieved.

I am convinced that the states that now participate in the Office of Juvenile Justice and Delinquency Prevention (OJJDP)program will continue their commitment to the deinstitutionalization, separation, and removal mandates even without the relatively small amount of Federal funding provided for these purposes. In fact, since the funds OJJDP provides to states are insufficient to cover the full cost of deinstitutionalization, separation and removal, states participating in the program already have shown their commitment to the goals of the Act and to a large extent have supported compliance with state and local funds.

It is now time to return responsibility for full funding of this program to the states and localities which receive its benefits and who are paying most of the cost of the Act's mandates. The states can then decide how best to comply with the mandates without Federal interference.

REGIONAL INFORMATION SHARING SYSTEM

This budget requests a reduction of $1,467,000 for Regional Information Sharing Systems. The request reflects a proposed rescission of most of the 1986 appropriated amount for RISS.

This program was originally funded by the Law Enforcement Assistance Administration (LEAA) in 1975 on a demonstration basis with the expectation that, if successful, financial support for these information networks would eventually be assumed by the State and local law enforcement agencies which they serve. The number of projects has now reached seven, and the amount appropriated to date totals $64.6 million.

Although this program has been in operation for ten years, the RISS projects have undertaken no significant action toward securing a system of self-funding through contributions from state and local law enforcement agencies which use their services. The fact that recipient state and local agencies have not contributed significant funding for the services they require, raises serious questions as to the value of this program.

In 1981, funding for these projects was appropriated to the General Administration account of the Department because funding for LEAA had terminated. Since that time, the Department has urged that Federal funding of RISS programs be phased out. In light of the Administration's and Congressional determination to reduce the Federal deficit, many programs will have to be reduced or terminated. These projects are not of a high enough priority to be allowed to consume approximately 10 million dollars a year in scarce Federal law enforcement funds.

MARIEL CUBANS

The 1986 appropriation contained $5,000,000 to reimburse 16 states for a portion of the cost of incarcerating Mariel Cubans. This request does not contain any funds for this program and, in addition, requests that the 1986 funds be rescinded.

MANAGEMENT AND ADMINISTRATION

A decrease of 70 positions and $2,688,000 is requested in the Management and Administration activity. This figure includes a decrease of 38 positions for the phase-out of the Juvenile Justice Program as well as a decrease of 21 positions for the State and Local Assistance Program and a decrease of 11 positions to reduce administrative costs.

Although this budget proposes termination of the Juvenile Justice and State and Local Assistance programs in 1986, the programs would still be active for an additional year administering awards made in 1985. This is due to the fact that awards are usually made late in the year of appropriation, and then the States have two additional years to use the funds. Since funding for these programs is proposed for termination in 1986, funding for most projects will end in late 1987 or early 1988.

VICTIMS OF CRIME FUND

Finally, I want to discuss a proposed reduction in funds available for Victim Compensation and Assistance. As you know, funding for this activity is obtained by Federal criminal fines, penalty assessments, and forfeited appearance bonds, rather than by appropriation. The fund has a ceiling of $100,000,000, and $68,313,000 was collected during 1985 for award to state compensation and assistance programs in 1986.

This budget requests that appropriation language be passed which establishes an obligation limitation of $35,000,000. This reduction in the size of the program is requested in order to reduce the negative impact on the deficit of expenditures from the Victims of Crime Fund. It is believed that $35,000,000 will still be sufficient at the state and local level.

The Department is currently drafting legislative amendments to the Justice Assistance, Juvenile Justice, and Victims of Crime Acts which would conform to these appropriation requests.

This concludes my statement, Mr. Chairman. I shall be happy to answer any questions you or other members of the subcommittee may have.

Mr. DWYER. Thank you, Ms. Herrington.

IMPACT OF THE GRAMM-RUDMAN-HOLLINGS REDUCTION

A total of $8,771,000 has been sequestered in the appropriation account for the Fiscal Year 1986. What has been the impact of this reduction on your activities?

Ms. HERRINGTON. May I respond for the state and local assistance, and perhaps I shall ask each one of the bureau leaders and the directors to respond to theirs in particular.

Mr. DWYER. Let me ask you another series of questions in connection with this.

Will a furlough or, a reduction in force, be necessary, and will there be a reprogramming necessary later on?

Ms. HERRINGTON. You mean through the sequestration?

Mr. DWYER. Yes.

Ms. HERRINGTON. No, not through sequestration, we do not anticipate.

Mr. DWYER. How will it impair your activities through the balance of 1986?

Ms. HERRINGTON. Through the sequestration?

Mr. DWYER. Yes.

Ms. HERRINGTON. I personally do not see how that it would curtail the balance of our activities. You are only asking about the sequestration, not about the rescission.

Mr. DWYER. Were you overappropriated for Fiscal Year 1986?

Ms. HERRINGTON. No, there will obviously be some things that we would like to have done that we will not be able to do.

Mr. DWYER. That is what I am asking you. For example, give me an example if you will, for the record.

Ms. HERRINGTON. Let me respond with what I know right off the top, on the victim program. We looked at projects going to, for instance, the Sheriffs' Association, and other projects that go to organizations involved with the Victim Program. We were able to cut back some of the projects, not totally eliminating them, but to cut them back in anticipation.

I think that each one of the directors or the administrators might want to respond to what they thought would happen as a result of that $8 million.

Mr. DWYER. You may want to think about the question and provide some facts for the record.

Ms. HERRINGTON. I wanted to make sure, and I apologize if my answer is confusing, but I wanted to make sure I was responding correctly.

This has been a whole new process to learn, and I apologize.

Mr. DWYER. It is only the beginning.

Ms. HERRINGTON. I am learning the language and learning the effects.

Let me just read something that we had prepared.

"Whereas unobligated balances have been proposed to be rescinded from the State and Local Assistance Program, Juvenile Justice grants, Mariel Cuban grants, and the Regional Information Sharing System, there will be no impact on these programs.

"The proposed rescission was reduced by the amount sequestered under Gramm-Rudman-Hollings, resulting in no changes to the total amount of funds being lost. If balance were not rescinded, however, each grant award would be reduced by 4.3 percent, or there may be fewer grants because many projects would already be at the minimum level necessary to operate."

PROPOSED RESCISSIONS

Mr. DWYER. That leads to my next question.

You are proposing a rescission totalling $122,109,000, funds that are appropriated for Fiscal 1986, and involve State and Local Assistance programs, Juvenile Justice, Mariel Cubans, and Regional Information Sharing Systems, and a 45-day period which Congress has to consider those proposed rescissions expires April 15. If Congress does not enact the rescissions, are you prepared to make these funds available immediately?

Ms. HERRINGTON. Yes, we are.

ELIMINATION OF STATE AND LOCAL ASSISTANCE PROGRAM

Mr. DWYER. You are proposing elimination of the State and Local Assistance Program in Fiscal Year 1987. In your statement you indicate that this is the kind of program that can be shown to increase productivity, and in many cases reduces costs. What evidence do you have that states will fund this program if the Congress approves your proposal to terminate Federal funding for Fiscal Year 1987?

Ms. HERRINGTON. I think one piece of evidence that we had to support this is the fact that most states have come aboard except one state on State and Local, with the 50 percent match.

We had four regional meetings where we went around the United States, met with the states, talked with them about the programs, and received their responses to the programs and their enthusiasm and commitment in believing that these programs would be very effective for their states.

I might turn to the director of Bureau of Justice Assistance to see if he wishes to add more to that, with your permission.

Mr. DWYER. Your name, so that the reporter can get it?

Mr. VINES. Mack Vines, Director of Bureau on Justice Assistance.

It is apparent that the states will involve themselves with second-year financing, because there is, as Mr. Herrington has stated, only one state that has elected not to participate in the program.

We do not have any real extensive, concrete evidence that they will fund all the specific programs they have been involved in.

However, we feel the share will be——

Mr. DWYER. Do you care to name the one state that will not participate?

Mr. VINES. Kansas.

MARIEL CUBANS PROGRAM

Mr. DWYER. The Mariel Cubans program, is one that the Federal Government always assumed was a Federal responsibility.

Now the Federal Government is shifting that responsibility to the states. Why?

Ms. HERRINGTON. I believe the Mariel Cubans benefit approximately 16 states, and I think that the decision was just not of the highest priority, in view of the deficit.

Mr. DWYER. Well, it benefits 16 states.

Ms. HERRINGTON. Yes.

Mr. DWYER. Because only 16 states have Mariel Cubans.

Ms. HERRINGTON. That is right.

Mr. DWYER. Some of those states have a very, very large amount of Mariel Cubans, and it costs about $20,000 a year to incarcerate a prisoner today.

I think last year you gave the grand total of what, two hundred and some odd dollars per prisoner to the states. Last year when I asked the Attorney General questions, regarding the Federal responsibility for these prisoners, his answer was that the Federal Government was going to see to the deportation of a very large amount of Mariel Cubans, and if not deported back to Cuba, would be transferred to Federal penitentiaries throughout the country.

I think my state, New Jersey, has had a reduction of two. I am waiting for a response.

Do you think that the conclusion of this program is a fair judgement?

Ms. HERRINGTON. I think it was a very difficult decision. I don't believe it was an easy decision. I know that it was something that was considered very strongly, and certainly understanding the difficulty that the states have with this, I think the only thing I can answer, Mr. Chairman, is that it was in response to the Deficit Reduction Act and other priorities that they have.

Mr. DWYER. Was that decision discussed among your department?

Ms. HERRINGTON. No, it was not.

Mr. DWYER. Mr. Smith.

Mr. SMITH. I have no questions.

Mr. DWYER. Mr. Early.

JUVENILE JUSTICE CARRYOVER BALANCES FROM 1985

Mr. EARLY. Thank you, Mr. Chairman.

Ms. Herrington, your budget request for the Office of Juvenile Justice reflects about $12.5 million in unobligated balances from carryover in Fiscal Year 1986.

In addition, you are proposing a $127,836,000 reduction in Justice Assistance programs in 1986 due to rescissions and the 4.3 percent sequestration.

What program was the $12.5 million carried over from?

Ms. HERRINGTON. May I refer that question to Mr. Regnery, who is Administrator of the Office of Juvenile Justice and Delinquency Prevention.

Mr. REGNERY. Yes, we had twelve point some million dollars left over at the end of 1985. That was money that mostly was in the pipeline but which had not yet been awarded.

Mr. EARLY. In what areas?

Mr. REGNERY. It was not from any particular program. It was from the Juvenile Justice Office. I guess probably all of it, in fact, was from the discretionary grant fund.

On the other hand, it would not have included the programs recommended for the states. That money would have been spent—that much of it has been spent.

However, when the 1986 appropriation was made by Congress, it took $9.3 million of that carryover from us and gave it to the Office of Justice Programs.

Mr. EARLY. Why weren't those funds obligated in that particular year?

Mr. REGNERY. Generally because of the fact that we had programs that we had initiated during the course of 1985, where the awards simply hadn't been made.

Over the past years that has been a rather standard process in our office back into the 1970's, where we would end up a year with a substantial amount of money left over which would, in fact, be awarded during the next eight to ten weeks into the new year.

MISSING CHILDREN

Mr. EARLY. Ms. Herrington, the Juvenile Justice program is funded at $70 million. You have got a $61 million rescission request before us. Does the Office of Juvenile Justice deal with missing children?

Ms. HERRINGTON. Yes, it does, but that is not part of the rescission.

CRITERIA FOR MAKING JUVENILE JUSTICE AWARDS

Mr. EARLY. Let's talk about the approximately $7 million that you have awarded out of the $70 million appropriated. In Fiscal Years 1984 and 1985, you conducted a pornography study which you funded, which we had great discussion on. An award of $734,371 I believe was made to evaluate the effects of Playboy, Penthouse and Hustler on children and pornography overall.

Now, of the Fiscal Year 1986 money that you spent so far, did you spend any on Missing Children? Yet, according to this February 28, 1986 Washington Post article I have before me, the Office of Juvenile Justice awarded $186,710 to a prominent conservative activist and dean associated with the Reverend Falwell at a Virginia university to write about the Constitution.

How do you justify this? I am not even going to ask you the criteria you used in awarding that money; because we asked you last year on the pornography study and didn't get any answers or real results.

I find it difficult to believe that this $186,710 was a top priority of the FY 86 Juvenile Justice money you have awarded thus far.

Ms. HERRINGTON. Mr. Chairman, I would like Mr. Regnery, who is the Administrator of the Office of Juvenile Justice and Delinquency Prevention, to answer that.

CENTER FOR JUDICIAL STUDIES PROJECT

Mr. EARLY. Were you in charge of awarding this $186,710?

Was this grant a top priority of the $70 million we appropriated for Juvenile Justice? Do you think that Congress intended that to be at the top of the list?

Mr. REGNERY. The grant that you are referring to, which was not, in fact, to the gentleman you referred to at the Center for Judicial Studies, is part of a series of grants which we give on a project called "Law Related Education".

It is the only project, in fact, which this committee and the Senate Appropriations Committee tells us to fund, and we accordingly funded that pursuant to the request of Congress.

Mr. EARLY. Did Congress tell you to spend it at that particular university? According to this Washington Post article, they say this particular program and university also ran into trouble earlier with $337,000 given by the Legal Services Corporation. They didn't do what they were supposed to do with that money.

Is that true?

Mr. REGNERY. That was a different organization.

Mr. EARLY. Therefore, the article was wrong?

Mr. REGNERY. A good number of the things in the article were, in fact, wrong.

Mr. EARLY. Was that particular part wrong? Let me quote it for you: "Alfred Regnery, Director of the the Office of Juvenile Justice, approved the noncompeting award to the McClellan Center for Judicial Studies, a conservative think tank in Cumberland, Virginia, at the same time that another McClellan organization was running into trouble over a grant from the Legal Services Corporation. The Corporation has withheld part of the $337,000 grant which expired last month, because McClellan did not complete some of the work."

Is that part true?

Mr. REGNERY. I believe that is substantially correct, yes.

Mr. EARLY. And yet, they hadn't completed the work that the first grant was intended for, and we give them another grant? That seems ludicrous.

Mr. REGNERY. Yes. I was aware of the problems they were having with the Legal Services grant.

In fact, I discussed it at length with people at Legal Services, and I believe that we put protections into our grant that were sufficient to see that the same problems didn't arise.

Mr. EARLY. I guess I will never understand the criteria you use in giving these awards. We evidently didn't achieve much of anything with the $734,371 pornography study.

MISSING CHILDREN PROGRAM

Ms. Herrington, I understand there is $4 million in your current budget for Missing Children?

Ms. HERRINGTON. Four million dollars a year, yes.

Mr. EARLY. In addition, did you spend any Juvenile Justice money, awarded thus for Missing Children?

Ms. HERRINGTON. Excuse me, there was——

Mr. EARLY. Do you think that would have been an appropriate thing to spend some money on?

Ms. HERRINGTON. We are spending money on Missing Children.

Mr. EARLY. I am asking if you spent any of the money that we appropriated for Juvenile Justice on Missing Children type programs.

Ms. HERRINGTON. Yes, there was some money.

Mr. Regnery, would you like to respond to that, as to the Center?

Mr. REGNERY. That is a different year. For the 1985 appropriation of $70 million, none of that went to Missing Children, because there was another $4 million appropriation that went specifically for Missing Children programs.

Mr. EARLY. And do you think that that is weighted equally, $4 million for Missing Children. It seems that is all I am reading about and all everyone is talking about, is the high incidence and problem of missing children.

Mr. REGNERY. I think $4 million is enough, yes.

NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

Mr. EARLY. How will that $4 million be spent in this current fiscal year?

Mr. REGNERY. For a variety of things. Probably more than half of it will go to the National Center for Missing and Exploited Children, which is the operation that we established two years ago, which handles the telephone calls, the 800 numbers, things of that nature, does training and a lot of other things.

They will get somewhere between $2 and $3 million. I am not sure just what the figure will be. The bulk of it will go for some research on what the problem of missing children actually is.

We are doing a study on the numbers of missing children that actually exist in various categories. We are doing a survey of a variety of ways that police organizations handle missing and exploited children cases, things of that nature.

Mr. EARLY. Are we simply collating statistics and conducting studies on missing children, or are we spending our money to try to correct the problem?

Mr. REGNERY. We don't know exactly what the scope of the problem is. We are spending some money to try to learn that.

Mr. EARLY. How many years will it take to determine what is the scope of the problem might be?

Mr. REGNERY. We haven't even started yet. It is going to take about two to three years to finish that project.

Mr. EARLY. And you think $4 million is adequate? You evidently don't think this is a top priority problem, like the rest of the Nation apparently does.

Mr. REGNERY. I think $4 million from the Federal Government is wholly adequate, yes.

So far, I think we have been able to make a great deal of headway. The other thing I should point out to you is that there is extensive interest in the private sector in this project. So far, the Center has raised at least $1 million, and I suspect will be raising a good bit more than that this coming year. That doesn't include the vast amount of resources that are put into the problem by a number of companies in the private sector.

The $4 million that the Federal Government spends is probably multiplied by, oh, I would guess tenfold with the money that comes in from the private sector, and, therefore, I think it is probably an adequate amount to fund the things that need to be funded to address the problem.

Mr. EARLY. It may be adequate, but it doesn't seem as if we are getting many positive results.

Mr. REGNERY. We are getting substantial results. The National Center for Missing Children has assisted in the recovery of over 4,000 children in the last two years.

It is receiving about 1,000 telephone calls a day which it is handling. It is referring to other law enforcement agencies, to the FBI. It is on line with the National Crime Information Center (NCIC) with the FBI.

It has trained literally thousands of police officers across the country. I think it has made very substantial headway.

CONTINUATION OF STATE AND LOCAL ASSISTANCE PROGRAMS BY STATES

Mr. EARLY. Ms. Herrington, the Office of Justice Programs always seems to be totally on the defensive when you testify before this Committee.

Mr. Vines, I would like to ask you a question. You suggest to this Committee that the Regional Information Sharing System's program will be picked up by the states, in its entirety, without Federal funds?

Mr. VINES. I really don't know if they will pick up all of the particular programs. I think if they have identified programs that fall within the 18 particular categories and they have an interest in that, that they will, if it has any semblance of being successful.

The way the Act is worded, it states that they are to keep the programs. We are to fund it for two years, and up to a maximum of four years.

If they have——

Mr. EARLY. Is it being funded now; or have you rescinded FY 1986 money?

Mr. VINES. We have all of our 1984–1985 funds committed and awarded.

Mr. EARLY. I am talking about 1986 monies.

Mr. VINES. None of them have been.

Mr. EARLY. So you have proposed to rescind all of it?

Mr. VINES. For the entire 1986.

Mr. EARLY. I don't really believe that you can think that the states are going to pick this program up. Tell me, were the states ever big advocates of this program?

Mr. VINES. I don't know. I wasn't here when that was drawn, so I really don't know what you are relying on in your question.

FUNDING FOR REDESIGNED UNIFORM CRIME REPORTING PROGRAM

Mr. EARLY. Mrs. Herrington, when you come in to testify, I realize you have to defend the Administration's budget, which is all well and good, but it seems to me that practically the entire Office of Justice Program's budget is proposed for rescission in FY 1986 and

elimination next year? How do you defend a budget like this, Mrs. Herrington?

Let me ask you this. I see that you requested $3 million for Criminal Justice Statistics Program to initiate the implementation of the redesigned Uniform Crime Reporting (UCR) program.

Would you say that this program will, in some aspects, replace the Regional Information Sharing System?

Ms. HERRINGTON. I believe that the concept of the $3 million was to learn some of the things we have never known, like the relationship of victim to offender.

In our family violence cases we have no idea, unless there is a murder involved, about the relationship. We have no idea about the relationship of child victims in reported crimes, because that type of statistical information has not been gathered, and in drug offenses.

Mr. EARLY. So, you say it is not a similar program in any respect?

Ms. HERRINGTON. I did not see it as a replacement, no, and in all honesty, I do not, but perhaps you would like to talk with Mr. Schlesinger and have him address that issue.

REGIONAL INFORMATION SHARING SYSTEM

Mr. EARLY. Let me ask specifically, that particular program, RISS, was the rescission proposed because it wasn't doing the information sharing with the states that it was supposed to be doing?

Ms. HERRINGTON. I am sorry. I will take that question. I didn't mean to avoid that one. I meant to address the $3 million for the Bureau of Justice Statistics to Mr. Schlesinger.

I will be happy to take that question on the RISS.

Mr. EARLY. Go ahead.

Ms. HERRINGTON. You ask if that was because it wasn't doing any good?

Mr. EARLY. Yes, was it proposed for rescission because it wasn't achieving the distribution and sharing of information it was supposed to achieve?

Ms. HERRINGTON. I had felt that this was a very difficult decision, and that we had done a lot of looking at what the RISS programs had.

The program was originally funded by the Law Enforcement Assistance Adminstration, as I told you in my opening statement, in 1975, on a demonstration basis, as seed money.

Mr. EARLY. Go on.

Ms. HERRINGTON. Well, I think it is important to understand it in its context, that it was a seed money program, that we put out a program that we are not saying is not good, but that benefits only approximately 10 percent of the law enforcement community, that it has been a program of about $10 million a year for almost 10 years.

A substantial amount of money has been put in it, and I think it simply came down to the budget decision and priorities, and what can we not live without and what can we.

Disbursements from the Fund will be in three program areas.

1. Crime Victim Compensation - The legislation sets aside 50% of the Fund for this purpose. These funds are distributed to the states on the basis of 35% of their victims compensation payouts during the preceding fiscal year. At present 37 states, the District of Columbia, and the Virgin Islands have victim compensation programs. Approximately $60,000,000 was paid out from these programs in the most recent year for which information is available. Money from the Fund cannot be used to pay administrative expenses of the state's victims compensation program. Any money unspent by a state within two fiscal years of receipt will be deposited in the General Fund of the Treasury.

2. Crime Victim Assistance - Fifty percent of the Fund is set aside to be awarded to states for the purpose of providing services, other nonfinancial assistance, and limited emergency financial assistance to victims of crime. In addition, money set aside in the Fund for victims compensation that was not awarded because of the 35% cap would be added to the assistance portion of the Fund. Priority must be given to eligible crime victim assistance programs which provide assistance to victims of sexual assault, spousal abuse or child abuse. The choice of grantees is a responsibility of the states. The legislation imposes only those broad conditions of eligibility necessary to assure the delivery of quality assistance by responsible, experienced victims assistance organizations.

   Each state has named a state official to administer the assistance funds awarded under the Act. The designated official is responsible for awarding the funds to eligible recipient organizations in the state, administering the awards, and monitoring the fiscal and programmatic performance of fund recipients.

   Recipient organizations eligible for victim assistance funding would be non-profit organizations, agencies of state or local governments (or combinations of such entities) which provide services to victims of crime, including crisis intervention services, emergency aid, and assistance to victims participating in criminal justice proceedings.

3. Federal Victims Assistance - The Attorney General may deduct up to 5% of the total Fund from the amount available for victim assistance for the purpose of providing services to victims of Federal crimes.

Accomplishments and Workload: The Office for Victims of Crime in the Office of Justice Programs has awarded $22,401,000 to 36 of the 39 states eligible for victim compensation funds. To date, victim assistance funds totalling $36,518,000 have been awarded to 51 of the 57 states and territories.

A training conference for Victim/Witness and Law Enforcement Coordinating Committee Coordinators was held December 2-4, 1985. More than one hundred Coordinators representing U.S. Attorney's Offices, strike forces and some litigating divisions in the Department of Justice attended the pilot offering of the training seminar jointly sponsored by the Office for Victims of Crime and the Executive Office for U.S. Attorneys. The purpose of the conference was to increase awareness of victim issues among staff of U.S. Attorneys Offices.

Program Change: It is requested that an obligation limitation of $35,000,000 be placed on the Crime Victims Fund. This reduction is requested in order to reduce the negative impact on the deficit of expenditures from the Crime Victims Fund. This amount will still be sufficient to encourage development of additional crime victim programs at the state and local level. In addition, the $65,000,000 in savings would be used to offset the Federal deficit. A request to amend the authorizing legislation to reduce the fund limitation from $100,000,000 to $35,000,000 will be transmitted to Congress in the near future.

Mr. EARLY. Don't you think that the Federal role is or should be to share all of the information we have with the states and the local communities?

Ms. HERRINGTON. I think there are some excellent programs that we are doing.

LAW ENFORCEMENT COORDINATING COMMITTEES

Mr. EARLY. Which ones?

Ms. HERRINGTON. I think the Law Enforcement Coordinating Committees. I don't pretend to be a total expert on all this, but I felt the Law Enforcement Coordinating Committee has been one of the more successful things we have done.

Mr. EARLY. Why don't you supply for the record what these Committees have achieved and how you think that is giving us an adequate supply of information sharing with the states and local communities.

Ms. HERRINGTON. I did not say I thought it was a total panacea, but I thought it had a very good, positive thrust for the locals and the states to start sharing and talking about things, and not have quite the territorial imperative that I felt, as a local prosecutor. I remember seeing and talking to a lot of people at the LECC meetings which I have had to do, and also some of our administrators—we have noticed quite a difference in the sharing of information and a difference in attitude.

I am not saying it is everywhere, but I have seen a real turnaround in some of the people that we have dealt with previously concerning their relationships with the Federal, State and local.

I am not saying it is the whole panacea, again, but I think it is positive, and I am not aware of all programs in the Department of Justice.

[The following information was submitted:]

LAW ENFORCEMENT COORDINATING COMMITTEES

In June of 1981, the Attorney General directed each United States Attorney to form a Law Enforcement Coordinating Committee (LECC) in his or her district.

Federal agency members include the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the Internal Revenue Service (IRS), the Immigration and Naturalization Service (INS), the Bureau of Alcohol, Tobacco and Firearms, the United States Customs Service, the Postal Inspection Service, the United States Marshals Service, the military, and others as deemed appropriate.

State agencies represented are state departments of law enforcement; Attorneys General; the National Guard; tax, banking, and insurance regulatory agencies; departments of corrections; and other state criminal justice agencies.

At the local level, top officials represent the offices of the district attorneys, police chiefs, and sheriffs. Private groups such as banking and insurance security personnel may also belong to the committee. Even foreign law enforcement groups such as the Royal Canadian Mounted Police can be a part of the LECC in districts on the United States borders.

Initially, each LECC put together a comprehensive district law enforcement plan and set up operational subcommittees in accordance with Attorney General directives. The law enforcement plans contain sections assessing crime problems, setting law enforcement priorities, explaining procedures for interagency assistance and for tracking cases not prosecuted, planning drug enforcement activities, and listing special district problems. Each plan is tailored to the needs of the individual district involved.

Subcommittees consisting of LECC members with specialized law enforcement interests or expertise were also formed. These subcommittees initially focused primar-

ily on issues of interagency cooperation, drug law enforcement, cross-designation of prosecutors, and prison facilities. The subcommittee forum was then expanded to include particular district needs, and LECC subcommittees now deal with a variety of localized problems, including Indian affairs, computer and white collar crime, toxic waste, bank robbery, arson, and violent crimes.

LECCs nationwide have sponsored high quality seminars featuring national experts on diverse topics such as child pornography, credit card fraud, motorcycle gangs, and the theft of high technology. The seminars often attract over 100 federal, state, and local officials. Numerous effective joint investigations have evolved through LECC subcommittees with successful prosecutions in cases involving drugs, fraud, pornography, burglary, theft of government goods, illegal aliens, fencing, smuggling, and other criminal activity. In addition to providing ideas and information among agency members, LECCs have also lent support to important federal and state crime legislation.

Through the individual Law Enforcement Coordinating Committees and subcommittees, significant strides have been made toward bringing about more consistent and effective federal, state, and local law enforcement cooperation and coordination. The Department of Justice is committed to supporting and continually upgrading the LECC program. It is expected that the LECC initiative will become a permanent cornerstone of joint federal, state, and local law enforcement efforts.

INFORMATION SHARING

Mr. EARLY. Expand for the record on what information we are not going to be able by eliminating the RISS program.

Ms. HERRINGTON. What we are not going to share?

Mr. EARLY. Yes, what you are not going to be able to accomplish without funds for the Regional Information Sharing Systems program.

Ms. HERRINGTON. As you know, the RISS programs are very complicated, and each one deals with different aspects.

This is not a critique of the RISS programs. I have no critique of them in terms that they are not doing a good job.

Mr. EARLY. After 12 years, I think we have got to build-up and share information. I want you to expand for the record on how we will accomplish this if RISS is eliminated.

Ms. HERRINGTON. I did talk about that aspect which I think is important. Other than that, I would have to defer to the Department, and I would be glad to look at that and submit any answer that I could in writing to you.

Mr. EARLY. Fine. Do that. Please supply it for the record.

Ms. HERRINGTON. All right.

[The following information was submitted:]

REGIONAL INFORMATION SHARING SYSTEM

The RISS Program was designed to initially establish and now maintain regionally based information sharing centers throughout the United States to service state and local criminal justice agencies. There are six existing regional information sharing centers: the Mid Atlantic-Great Lakes Law Enforcement Network; the Mid-States Organized Crime Information Center; the New England State Police Information Network; the Regional Organized Crime Information Center; the Western States Information Network; the Rocky Mountain Information Network. Each of these projects is comprised of an information sharing capability, an intelligence analysis component, and a telecommunications system, and provides for investigative expenses in extraordinary situations, investigative equipment, technical assistance and training. In addition to these six information sharing projects, there is one other, LEVITICUS, which is a consortium of 18 agencies in six states committed to the investigation and prosecution of conspirators engaged in major white collar crime, primarily crimes related to energy industries. Each participating agency provides its enforcement resources, supplemented by Federal funds, and coordinates these resources with other agencies to focus on multi-jurisdictional offenses.

This program was originally funded by the Law Enforcement Assistance Administration (LEAA) in 1975 on a demonstration basis with the expectation that, if successful, financial support for these information networks would eventually be assumed by the state and local law enforcement agencies which they serve. The number of projects has now reached seven and the amount appropriated to date totals $64.6 million. Although this program has been in operation for ten years, the RISS projects have undertaken no significant action toward securing a system of self-funding through contributions from state and local law enforcement agencies which use their services. The fact that recipient state and local agencies have not contributed significant funding for the services they require raises serious questions as to the value of this program. In light of the Administration's and Congressional determination to reduce the Federal deficit, many programs will have to be reduced or terminated. These projects are not a high enough priority to be allowed to consume approximatley 10 million dollars a year in scarce Federal law enforcement funds.

VISITATION AT PROGRAM SITES

Mr. EARLY. Thank you, Mr. Chairman.

Mr. DWYER. Mr. Smith.

Mr. SMITH. Mrs. Herrington, how long have you been on this job?

Ms. HERRINGTON. Three years.

Mr. SMITH. Have you, during that length of time, visited, for example, runaway youth shelters in the field? Have you gone out in the field and visited these places?

Ms. HERRINGTON. Yes, some.

Mr. SMITH. And the RISS program, have you seen it operating in the field?

Ms. HERRINGTON. Yes.

RESCISSION DECISION PROCESS

Mr. SMITH. Did I understand you right? Did you say that you were not consulted about these rescissions?

Ms. HERRINGTON. I guess I am trying to determine the meaning of the word "consult."

Certainly I was talked to about the rescissions, yes. Saying I was not consulted, I think, would be a misnomer.

Mr. SMITH. What would be the accurate description of how it came about?

Ms. HERRINGTON. I was not privy to all of the decisions and the other priorities that are important to the Department of Justice, but I do know the sincerity of the Attorney General and the Deputy Attorney General, especially in law enforcement matters, so I know these were hard decisions.

Mr. SMITH. What part did you play in this? What did they ask you, and so forth?

Did they ask you for a list, for so many dollars worth of rescissions, or just ask you generally about programs?

Ms. HERRINGTON. Yes, they did.

Mr. SMITH. What?

Ms. HERRINGTON. They asked me generally about programs. I would be happy to respond to any specific——

Mr. SMITH. Did you recommend that the Juvenile Justice Program—the $70 million—be rescinded, or the $63 million?

Ms. HERRINGTON. We concurred with that, yes. That has been an Administration position.

Mr. SMITH. I know you concurred after they made the decision, but did you recommend to them that that be done?

Ms. HERRINGTON. I think that I was in agreement with that.

Mr. SMITH. After they made the decision or before?

Ms. HERRINGTON. I had been in agreement with the Administration position on the termination of Juvenile Justice since I took office, since I had this position.

Mr. SMITH. This is one program that I don't think there is any disagreement on this committee, if I am not mistaken. I was really amazed last year when both conservative and liberal members of the House came to me and said that we want these programs, especially, RISS. I just don't understand why there is such a difference of opinion between the majority of the House on both sides of the aisle and the Administration. Do you have any explanation for that? Have you discussed this with members of the House?

Ms. HERRINGTON. No, I think what I said in the opening statement as to the amount and what we have spent, as to the difficulty in the decisions and the money problems that are facing us, and the fact that one of this Administration's policies, is to have the states assume as much as possible—I think those are the answers.

Mr. SMITH. That is what I was really getting at. Is this decision being made at a higher level than yours, based on some principles that the states ought to do more, or is it really based on looking at the program, analyzing the program, determining this program isn't worth being funded?

Ms. HERRINGTON. I think I would like to refer that question to Mr. Regnery. I think he handles the programs on a day-to-day basis, and perhaps he can answer that.

Mr. REGNERY. Yes, in terms of the Juvenile Justice Office, when I was made the Administrator in 1983, I guess it was—the initial decision had already been made previous to that to ask for zero funds for the office.

I supported that decision throughout the tenure of my time as Administrator, and I think, in essence, what it comes down to is the fact that these are—many of the programs that we run are good programs which do a lot of good.

Let me talk specifically about the formula grant program which is about 60 percent of our budget which goes directly to the states in amounts varying, depending on the number of children that live in those states. We don't really tell them what to do with that money. There is a list of, I think, 22 things in the statute which they can do, and it is up to them to spend money—the states, that is—as they see fit.

They have to do three things in order to get the money. That is to deinstitutionalize their status defenders, to separate adults and juveniles in jails, and also they are starting this year to actually remove juveniles from jails; that is, to build separate facilities. For the most part, as the testimony points out, they have accomplished that. There are still a few, certainly.

Interestingly, though, the bulk of the funds that the states use do not go for those three mandates. They go for other things that the states do, prevention activities, rehabilitation programs, a whole host of other things.

Let me give you a couple of examples of the way the money is spent. New York State, for example, spends some $50 million a year on Juvenile Delinquency Prevention programs. They spend another $1 million of Federal money to supplement that for delinquency programs. The State of California, the California Youth Authority, has a budget of some $150 million. They spend another couple million dollars of ours to supplement that for rehabilitation programs.

Now, I think our point is that those are all things that the states do otherwise to a greater extent that we provide funds for, and therefore, would continue to do even if the Federal money wasn't there.

As we look at the comparative deficits and surpluses in the states and the Federal Government, I guess, in the broader context, it comes home to us that even though they are good programs, as President Reagan has said, we simply can't afford to pay all of them out of the Federal Treasury.

I think that is really quite simply what it comes down to. Many of them are great programs. Many of them do a lot of good things for kids, but there are things which the states are doing to a far greater extent than the Federal Government is and which they would continue to do without us.

Mr. SMITH. What about the RISS program? That is a cooperative program where both get something out of that.

Mr. REGNERY. I don't know anything about the RISS program.

Mr. ROGERS. Will you yield on that?

Mr. SMITH. I yield.

Go ahead.

Mr. ROGERS. You only mentioned California and New York. I am sure, not by design, but there are some states that I am not so sure would carry these programs on, but for the Federal funds.

I list Kentucky as probably one of those states, so I think it is a mistake to only look at the very large states in this things, that would carry on the programs absent any Federal funds.

Mr. REGNERY. I don't have the figures in front of me. I can provide them for what Kentucky does. I know in the aggregate about 20 percent, after all the formula grant funds are spent on the three mandates. The other 80 percent is spent on other things.

And I also can tell you that in every state the cost of implementing those mandates far exceeds what the Federal Government provides.

Mr. ROGERS. By the way, Kentucky hasn't received its 1986 yet, anyway.

Mr. REGNERY. Nobody has.

Mr. ROGERS. How soon can they expect it?

Mr. REGNERY. That is up to you.

Mr. ROGERS. Not to be quick with you, but what do you mean?

Mr. REGNERY. We have asked that the funds be rescinded, and until they are rescinded we can't spend them. When Congress acts one way or the other or when the 45-day period runs, depending on what happens, then we will or will not make those awards.

Mr. SMITH. Forty-five days runs to April 15th. Go ahead.

Mr. ROGERS. That is all I have.

I thank you for yielding.

POTENTIAL REDUCTION-IN-FORCE

Mr. DWYER. If all necessary rescissions take place and the funds aren't provided next year, how many people in this room are going to lose their jobs?

Ms. HERRINGTON. I don't know about how many people in this room, but I know that we currently at this time have a management survey that has been taking place for the last month and a half or so at our Department, to look at description status classifications.

Mr. DWYER. Wouldn't you expect that some of the people, some of these Directors and so on and so forth, would lose their jobs?

Ms. HERRINGTON. If the rescission takes place, I would expect that there would definitely be a loss of jobs? Now, what we can do about helping these people find new jobs is something else.

Mr. DWYER. You are talking about finding other jobs within the Administration?

Ms. HERRINGTON. And the Department, yes.

Mr. DWYER. Do you want a list of potential employers?

Ms. HERRINGTON. We have not finished our management study yet.

MARIEL CUBANS INCARCERATED IN FEDERAL PRISONS

Mr. DWYER. I wonder if you would provide for the record—going back to that Mariel Cuban program, seeing as how it is a creation of the Federal Government. I wonder if you would provide for the record how many Mariel Cubans are incarcerated in Federal "penitentiaries" and how many Mariel Cubans are still incarcerated in state facilities.

Would you provide that for the record?

Ms. HERRINGTON. Yes, I will be happy to.

[The information follows:]

The administration has proposed a rescission of the 1986 funds. Following is a chart which provides the number of Mariel Cubans incarcerated in Federal and state facilities in 1985. The numbers are expected to be about the same in 1986.

Incarcerated Mariel Cubans

State	*Incarcerated*
Alaska	2
California	19
Florida	679
Georgia	20
Illinois	74
Michigan	22
Minnesota	16
Nevada	45
New Jersey	161
New York	287
Ohio	6
Pennsylvania	58
Rhode Island	11
Texas	199
Washington	28
Wisconsin	94
Total	1,721

MISSING CHILDREN PROGRAM

Mr. DWYER. Mr. Early spoke about the missing children before, and a funding level of $4 million was mentioned. If the Office of Juvenile Justice and Delinquency Prevention is terminated, who is going to oversee the $4 million? It is their responsibility, and you are still asking for the $4 million in the 1987 budget.

Ms. HERRINGTON. We would retain positions to do that, but certainly the Office of Juvenile Justice and Delinquency Prevention has to carry on to follow through with the programs that are now in place, so that would be a couple of years.

Mr. DWYER. How many positions would it take to administer the $4 million, do you have any idea?

Ms. HERRINGTON. Approximately four.

Mr. DWYER. I am going to submit some questions to you, and I will ask that you submit your answers for the record.

Thank you very much for being here.

CRIME VICTIMS FUND

Mr. EARLY. Mr. Chairman, I have one further question.

Ms. Herrington, on the Crime Victim Fund, I recently received notice that the Office for Victims of Crime, under the Office of Justice Programs, recently awarded $972,000 to the Massachusetts Victim Witness Assistance Board to help support states and local agencies that provide services for crime victims and their families.

As this is a relatively new program, would you expand on any feedback regarding this program the Department has received thus far?

Ms. HERRINGTON. Thus far, I think the feedback is nothing but totally positive and very appreciative.

Mr. EARLY. Have there been any problems?

Ms. HERRINGTON. I know of no problems.

REDUCED FUNDING FOR CRIME VICTIMS FUND

Mr. EARLY. Can we expect the state grants to begin decreasing practically at the outset of this program, due to the fact that the Administration proposed obligations of $64.9 million in 1986 and only $35 million in 1987 for this program at the Federal level?

Ms. HERRINGTON. Yes, we can expect that.

Mr. EARLY. Have you got any criteria on how the adjustments or reductions are going to be made?

Ms. HERRINGTON. No. As of now, I would imagine it would be as it states in the act now, when we do it on the basis of population.

Mr. EARLY. The big States will get it all?

Ms. HERRINGTON. Well, we have limits. There is a certain percentage that the larger states can't exceed, but I don't see revising the formula.

Mr. EARLY. Could you tell the committee how many dollar amounts were originally requested for the $64.9 million?

Ms. HERRINGTON. How many dollars we have requested?

Mr. EARLY. Yes, how many eligibles for that particular program were requested when you spend $64.9 million?

Ms. HERRINGTON. It is in two areas. One is in compensation to the states. I believe there were 37 states that requested assistance for their compensation programs.

Mr. EARLY. Could you give me the dollar amounts that they requested?

Ms. HERRINGTON. Yes. May I submit that for the record?

Mr. EARLY. Fine.

Ms. HERRINGTON. And for the victim assistance, also.

Mr. EARLY. Why don't you give us a break down on that as well. Also provide what you anticipate doing with these funds and how you expect to distribute it and minimize any problems.

Ms. HERRINGTON. All right.

[The information follows:]

INSERT 127A

CRIME VICTIMS FUND STATE ALLOCATIONS

State	Compensation			Assistance		
	1986	1987a/	Difference	1986	1987a/	Difference
Alabama	...	...	...	$700,000	$276,000	-424,000
Alaska	$283,000	$210,000	-$73,000	175,000	122,000	-53,000
Arizona	...	...	...	559,000	234,000	-325,000
Arkansas	...	...	...	453,000	203,000	-250,000
California	5,185,000	3,840,000	-1,345,000	3,953,000	1,227,000	-2,726,000
Colorado	472,000	350,000	-122,000	578,000	240,000	-338,000
Connecticut	442,000	327,000	-115,000	574,000	239,000	-335,000
Delaware	123,000	91,000	-32,000	192,000	127,000	-65,000
Dist. of Col.	85,000	63,000	-22,000	194,000	127,000	-67,000
Florida	1,493,000	1,106,000	-387,000	1,751,000	583,000	-1,168,000
Georgia	...	...	...	978,000	357,000	-621,000
Hawaii	150,000	111,000	-39,000	256,000	146,000	-110,000
Idaho	...	...	...	251,000	144,000	-107,000
Illinois	1,242,000	920,000	-322,000	1,831,000	606,000	-1,225,000
Indiana	117,000	87,000	-30,000	927,000	342,000	-585,000
Iowa	57,000	42,000	-15,000	538,000	228,000	-310,000
Kansas	116,000	86,000	-30,000	467,000	207,000	-260,000
Kentucky	213,000	158,000	-55,000	660,000	264,000	-396,000
Louisiana	77,000	57,000	-20,000	771,000	296,000	-475,000
Maine	...	...	...	274,000	151,000	-123,000
Maryland	468,000	347,000	-121,000	754,000	291,000	-463,000
Massachusetts	387,000	287,000	-100,000	972,000	355,000	-617,000
Michigan	699,000	518,000	-181,000	1,465,000	499,000	-966,000
Minnesota	190,000	141,000	-49,000	726,000	283,000	-443,000
Mississippi	...	...	...	491,000	214,000	-277,000
Missouri	266,000	197,000	-69,000	853,000	320,000	-533,000
Montana	129,000	96,000	-33,000	224,000	136,000	-88,000
Nebraska	31,000	23,000	-8,000	342,000	171,000	-171,000
Nevada	106,000	78,000	-28,000	237,000	140,000	-97,000
New Hampshire	...	...	...	247,000	143,000	-104,000
New Jersey	1,243,000	920,000	-323,000	1,230,000	431,000	-799,000
New Mexico	65,000	48,000	-17,000	314,000	163,000	-151,000
New York	2,434,000	1,803,000	-631,000	2,767,000	880,000	-1,887,000
North Carolina	...	...	...	1,027,000	371,000	-656,000
North Dakota	32,000	24,000	-8,000	203,000	130,000	-73,000
Ohio	2,369,000	1,755,000	-614,000	1,717,000	573,000	-1,144,000
Oklahoma	187,000	139,000	-48,000	596,000	245,000	-351,000
Oregon	261,000	193,000	-68,000	502,000	218,000	-284,000
Pennsylvania	888,000	658,000	-230,000	1,890,000	624,000	-1,266,000
Rhode Island	123,000	91,000	-32,000	245,000	142,000	-103,000
South Carolina	173,000	128,000	-45,000	596,000	245,000	-351,000
South Dakota	...	...	...	206,000	131,000	-75,000
Tennessee	495,000	366,000	-129,000	809,000	308,000	-501,000
Texas	1,472,000	1,090,000	-382,000	2,505,000	803,000	-1,702,000
Utah	...	...	...	348,000	173,000	-175,000
Vermont	...	...	...	180,000	123,000	-57,000
Virginia	186,000	137,000	-49,000	948,000	348,000	-600,000
Washington	970,000	718,000	-252,000	754,000	291,000	-463,000
West Virginia	53,000	39,000	-14,000	394,000	186,000	-208,000
Wisconsin	285,000	211,000	-74,000	817,000	310,000	-507,000
Wyoming	...	...	...	177,000	122,000	-55,000
Puerto Rico	...	...	...	591,000	244,000	-347,000
Virgin Islands	62,000	45,000	-17,000	16,000	5,000	-11,000
Guam	...	...	...	18,000	5,000	-13,000
American Samoa	...	...	...	5,000	2,000	-3,000
N. Mariana Is.	...	...	...	3,000	1,000	-2,000
Trust Terr.	...	...	...	19,000	5,000	-14,000
Total	23,629,000	17,500,000	-6,129,000	41,270,000	15,750,000	-25,520,000

a/ 1987 amounts are estimates based on 1984 population figures and 1984 payments of state compensation. 1987 actual amounts will vary slightly when 1985 population figures and compensation payments are known. Totals targeted to compensation and assistance assume that 5% of total amount available of $35 million may be allocated to Federal Victim program, at the Attorney General's discretion.

Mr. EARLY. Thank you, Mr. Chairman.

Mr. DWYER. Thank you, Ms. Herrington.

Ms. HERRINGTON. Thank you again for accommodating me.

[The questions submitted for the record and the answers submitted thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

OFFICE OF JUSTICE PROGRAMS

Mariel Cubans

QUESTION:

Your budget request proposes to eliminate the funds to reimburse states for a portion of the costs of incarcerating Mariel Cubans who have been convicted of felonies under state law. How many of these prisoners are incarcerated at the present time in state institutions?

ANSWER:

In view of the Administration's proposed rescission of 1986 funds appropriated for the Mariel Cuban program, the states have not been asked to submit that data for 1986. It is anticipated, however, that the 1986 number will be about the same as 1985, which was 1,721.

QUESTION:

Since the Federal Government permitted these persons to enter the United States initially, shouldn't the Government help fund at least a portion of the cost of incarcerating them in state prisons when they have been convicted of serious crimes?

ANSWER:

It is the responsibility of the states and counties to define violation of state and county law, to prosecute individuals who are accused of violating those laws, and to incarcerate those individuals who are convicted. While it is the responsibility of the Federal Government to enforce the immigration laws, it is not the responsibility of the Federal Government to incarcerate those individuals who violate state or county laws. The Department of Justice has never requested funds for this purpose. The Department believes that anyone, including Mariel Cubans, who is convicted of a state crime and sentenced to prison, is the responsibility of the state where the crime was committed.

QUESTION:

Can you assure this Committee that the Federal Government will accept these prisoners from the states for incarceration in the Federal Prison System if we approve your request to terminate the program?

ANSWER:

Traditionally, the Department of Justice has never accepted legal responsibility for the incarceration of illegal aliens sentenced for state and local offenses. The Federal Prison System (FPS) is operating facilities which are more than 40 percent overcrowded. Given this condition, it would be difficult for FPS to accept the responsibility for housing Mariel Cubans convicted of state and/or local crimes to be shifted entirely to FPS. In performing the Federal responsibility for these individuals, the FPS is housing 1,900 Mariel

Cuban offenders and will complete this year the construction of a secure detention facility to house 200 Mariel Cubans already in INS' custody. Also, the Immigration and Naturalization Service (INS) is currently housing 248 Mariel Cubans in its facilities and contracts for the housing of an additional 400. According to INS, there are more than 2,500 Mariel Cubans with INS detainers in state and local prisons who are being released into INS custody at a rate of about 80 to 100 per month.

Criminal Justice Statistical Programs

QUESTION:

You are requesting an increase of $3 million for Criminal Justice Statistical Programs to implement the redesigned Uniform Crime Report program. How does this change differ from the present program and how will the change benefit the recipients?

ANSWER:

The new UCR will differ radically from the current program. The entire UCR system will be converted to unit-record reporting, either manual or automated, in which local law enforcement agencies will submit reports covering each individual criminal incident. This will provide much more detail than the current summary reporting system (which provides only the total number of murders, rapes, assaults, and other major crimes), including information about the who, what, how, when, and where of criminal incidents. Such information has long been needed by practitioners and researchers and will increase greatly our knowledge of crimes and criminals.

Under the new system, there will be two levels of reporting by individual agencies, with each level defined by its set of data elements. Level I, which includes the eight crimes included in the current system, would be used by approximately 95 percent of all agencies. It will collect limited data on each incident, including type of victim (individual, business or other) and resident/non-resident status. Level II, which will include all offenses including serious misdemeanors (Part I and Part II crimes), will collect extensive data on each incident, including victim type, victim characteristics, victim-offender relationship, use of force/weapon, type of weapon, nature/extent of injury, day of week/time of day, type of location, and resident/non-resident status of victim. Agencies will be selected for Level II so they constitute a statistical sample of the entire nation and of major regions, allowing the Level II data to be used for national and regional studies and analyses.

A method of conducting regular, ongoing audits of participating agencies to measure the extent of reporting error will be initiated. This includes: a set of data editing and training procedures to identify reporting discrepancies and a system of self-certification under which an agency can indicate that it is in compliance with a set of basic requirements for UCR participation.

The UCR covers crimes that are reported to the police. The National Crime Survey (NCS), which is sponsored by BJS, uses interviews with approximately 60,000 households annually to obtain data on crime

victimization whether or not it is reported to the police. The Offender Based Transaction Statistics (OBTS) system follows offenders as they move through state criminal justice systems from arrest to final disposition. These three sources of data will be made complementary to the maximum extent practicable to allow integration of information in the analysis of crime and criminal justice without violating privacy and confidentiality regulations. This effort to make the data complementary would include structuring the UCR and NCS data to achieve maximum compatibility, creating procedures for the eventual integration of rates and trends from UCR and NCS data, and designing UCR to allow linkage of incident records to the offender processing records collected by OBTS.

An expanded publication series will be created to include, among other items: (1) an annual UCR report that is more analytic and interpretive than the current report; (2) quarterly releases of crime counts and trends; and (3) annual compilations similar to the present Crime in the U.S. An annual joint UCR/NCS report will be issued highlighting crime trends and developments as monitored by both data series.

The benefits of the redesigned UCR are manifold. This new crime reporting program, when implemented, will vastly increase the amount and quality of information available to local police administrators, policy makers at all levels of government, the research and academic community, and the public in developing strategies for crime control. The shift to unit or incident reporting alone will increase the knowledge base of crime in the United States by several orders of magnitude. In particular, it will provide data on victim, as well as offender characteristics and relationships; it will allow law enforcement agencies to share detailed crime data with citizens that could aid the latter in the initiation of defensive measures; it will provide data on crimes for which data have traditionally been lacking, namely drug-related offenses, sex crimes, family violence, and child abuse; and it will permit rapid analyses of particular crime and criminal justice issues of special concern to police and policy makers. The Department of Justice has been criticized for issuing seemingly disparate crime information based upon the National Crime Survey's victimization studies and the UCR Program's crimes reported to the police. The redesigned program will go far to reconcile these two data sets and mitigate much of this criticism.

QUESTION:

Is this the total cost of this change or will there be additional increases in the outyears and, if so, how much?

ANSWER:

The Department of Justice has established a positive cap of $10 million for the Federal share of this program spread over the next five years. The $3 million requested for 1987 is part of the $10 million overall cap.

QUESTION:

If, as you say in your statement that this revised program will significantly increase the amount and quality of information available to local police administrators, the research and academic community, and the public in developing strategies for crime control, why shouldn't these beneficiaries at least pay for part of the cost of the change?

ANSWER:

It is indeed appropriate that state and local contributors share in the costs of the changes being proposed and it is expected that during the first five years of this evolutionary program, the non-federal share will exceed $150 million. Each of the nearly 16,000 contributors and the state-level programs will incur significant costs in the modification of their incident forms, the establishment of revised collection standards, the conduct of police officer training, the modification of their existing computer hardware and software, and in the myriad other changes needed to meet the requirements of a fundamentally restructured police record-keeping system that has been in place for 56 years.

Emergency Law Enforcement Assistance

QUESTION:

You are requesting $1.2 million for the Emergency Law Enforcement Assistance program. This is the same amount that was made available for FY 1986. How much of these funds have been used and for what types of projects?

ANSWER:

None of the funds have been used. Since passage of the legislation creating the Emergency Law Enforcement Assistance program we have not received any request for such assistance.

Management and Administration

QUESTION:

You are requesting $18.7 million to manage and administer the Office of Justice Programs in FY 1987. This amount is a 3 percent increase over the amount enacted for FY 1986 and an 8 percent increase over the amount currently available which has been adjusted for sequestration. At the same time, you are proposing that programs accounting for over 65 percent of the enacted FY 1986 amounts, not be funded in 1987.

Why do you need all of this overhead to manage 35 percent of the programs you are managing this year? Have you considered using overall Justice Department support and staff offices to administer the remaining programs?

ANSWER:

Although $18.082 million was appropriated for management and administration in 1986, the actual funding level is $20.113 million. The difference of $2.031 million is unobligated carryover from 1985 which had been proposed to be rescinded in 1985 to effect savings pursuant to Section 2901 of the Deficit Reduction Act of 1984. Congress failed to rescind the funds in 1985 and instead reduced the 1986 appropriation by that amount since the funds would still be available for obligation in 1986. The 1987 request of $18.7 million is a decrease of seven percent compared to the 1986 funding level of $20.113 million prior to sequestration and a decrease of three percent after adjusting for sequestration.

In 1987 OJP has budgeted $1,077,200 for severance pay and other costs associated with a reduction-in-force. It should also be noted that although several programs are being eliminated, the need to close-out the programs will still exist. The vast majority of the grants already funded will be active for two and three year periods and will still require monitoring and final close-out processing.

OJP has considered using DOJ support and staff offices to administer and support the remaining programs. In fact, a part of the 11 position and workyear reductions shown in 1987 is a result of the transfer of some support functions to the Department. We will continue to work with the Department on this matter and as the programs are closed-out additional functions will be transferred to the Department. However, at least through 1988, the life of the Justice Assistance Act, it is believed that administration and close-out of the OJP programs should remain in OJP. The programs administered by OJP are completely dissimilar to any other Department programs and just do not lend themselves to administration by another Department of Justice entity.

QUESTION:

Why is an Assistant Attorney General needed to administer a $74.4 million program?

ANSWER:

The 1987 budget request of $74,400,000 does assume the termination of two Office of Justice Program bureaus--the Office of Juvenile Justice and Delinquency Prevention and the Bureau of Justice Assistance. However, the phase-out of grants which have been made by these bureaus would require 30 months from the close of the fiscal year in which the programs are terminated. Accordingly, a considerable amount of work remains to close down the programs in a fiscally responsible manner. In addition to this workload, the budget requests funds for the National Institute of Justice, the Bureau of Justice Statistics, and three other programs--Emergency Assistance, Missing Children, and Public Safety Officers Benefits programs.

In addition to these programs which utilize appropriated funds, OJP also administers the Victims of Crime Fund and associated programs. The budget requests an obligation limitation of $35,000,000 for 1987 and 1988.

We believe the close-out of the terminated programs, coordination of the research and statistical activities and the administration of the four remaining programs requires the leadership of an Assistant Attorney General at least through the remaining life of the Justice Assistance Act (1988).

Crime Victims Fund

QUESTION:

The budget also proposes a reduction in funds available for victim compensation and assistance through the Crime Victims Fund. The Fund has a permanent ceiling of $100 million per year. A total of $65 million was made available for award to state compensation and assistance programs in FY 1986. You are proposing appropriation language which would establish an obligation limitation of $35 million for this program for FY 1987 in order to help reduce the Federal deficit. What evidence do you have that $35 million would be sufficient for this national program when almost twice that much money was made available in FY 1986?

ANSWER:

The award of compensation and assistance funds to the states began and was largely completed during the first quarter of FY 1986. Therefore, no program reporting will be available until FY 1987. The Balanced Budget and Deficit Control Act of 1985 requires that the deficit be reduced to no more than 144 billion dollars in 1987. To accomplish this, many programs had to be eliminated or reduced. These decisions were difficult ones. In the case of the Crime Victim's program it is believed that $35,000,000 will be sufficient because it will provide $35,000,000 more than the States would have otherwise, providing seed money to encourage development of additional crime vicitm's programs at the State and local level and expansion money for existing programs.

QUESTION:

The permanent appropriation of $100 million for the Fund was part of the Comprehensive Crime Control Act of 1984 that is under the jurisdiction of the Judiciary Committees. Shouldn't you submit this proposal to limit the obligations in the Fund to those committees, rather than the Appropriations Committees?

ANSWER:

Legislative amendments to the Victims of Crime Act are currently being drafted by the Department and will be submitted shortly to the Judiciary Committees. The Administration believed that it was necessary to include the obligation limitation request in the President's budget to reflect the total financial requirements of the Government. It is up to the Congress to determine which committees will be assigned responsibility for making recommendations on the Crime Victims Fund.

QUESTIONS SUBMITTED BY CONGRESSMAN DWYER

OFFICE OF JUSTICE PROGRAMS

Mariel Cubans in State Prisons

QUESTION:

Last year I discussed the problem of Mariel Cubans who are currently occupying prison space in many states - including my own State of New Jersey. At the present time, New Jersey is housing 166 Mariel Cuban prisoners in its facilities. The estimated cost to the state is $2,988,000. (NJ is estimated to lose $502,000 if the proposed FY 1986 rescission goes through).

Last year, the Attorney General stated that he anticipated completing a program to move the Mariel prisoners "to the extent of no longer placing a burden on local or state facilities." He went on to state that "we feel that all of the excludables and the Mariel persons who are prisoners will either be returned to Cuba or will be assimilated into Federal institutions."

How many Mariel prisoners were actually moved out of state facilities in 1985?

ANSWER:

In 1985, 1,004 Mariel Cuban criminals were moved from state and local facilities into INS custody; 484 were placed in the U.S.P. Atlanta, Georgia and 520 were placed in INS custody in various detention facilities.

QUESTION:

Is the Department currently involved in any ongoing discussions with the State Department to reach an agreement with the Cuban government for exradition of these prisoners?

ANSWER:

The United States has always maintained that we are ready and willing to meet with the Cuban Government to discuss any differences with respect to the suspended Mariel Cuban Agreement.

QUESTION:

Why did the Department of Justice consider these prisoners a state burden last year and a state responsibility this year?

ANSWER:

The Department has never considered the Mariel Cubans in state corrections facilities a Federal responsibility. The Department did administer the disbursement of funds appropriated by Congress, in accord with Congressional instructions, but the Department did not and has never requested funds for this purpose. The Department believes that anyone, including Mariel Cubans, who is convicted of a state crime and sentenced to prison, is the responsibility of the state where the crime was committed.

QUESTION:

Would you provide for the record a listing of all Mariel Cubans currently in Federal facilities?

ANSWER:

The Federal Prison System is housing 1,900 Mariel Cuban offenders. Also, the Immigration and Naturalization Service is currently housing 248 Mariel Cubans in its facilities and contracts for the housing of an additional 400.

QUESTION:

Were any states reimbursed for housing Mariel prisoners in the first quarter of FY 1986. Please provide a listing of funds provided to the states in FY 1985. Also break out the number of Marielitos in state facilities by state.

ANSWER:

No states have been reimbursed for housing Mariel prisoners in the first quarter of FY 1986. The $5 million for FY 1986 has not been awarded because the funds have been proposed to be rescinded. The following table provides a listing of funds provided to the states in FY 1985.

In view of the Administration's proposed rescission of 1986 funds appropriated for the Mariel Cuban program, the states have not been asked to submit data on the number of Mariel Cubans in state facilities for 1986. It is anticipated, however, that the 1986 number will be about the same as 1985. The following table also includes a state-by-state breakout of Mariels incarcerated in FY 1985.

1985 Mariel Cuban Program - Allocation

State	Number of Inmates Verified by INS	Inmate Months	Award Amount
Alaska	2	24	$6,643
California	19	155	42,903
Florida	679	7,270	2,012,290
Georgia	20	215	59,511
Illinois	74	644	178,255
Michigan	22	240	66,430
Minnesota	16	160	44,287
Nevada	45	457	126,495
New Jersey	161	1,816	502,657
New York	287	3,272	905,669
Ohio	6	71	19,652
Pennsylvania	58	446	123,450
Rhode Island	11	100	27,679
Texas	199	1,925	532,828
Washington	28	322	89,127
Wisconsin	94	947	262,124
Total	1,721	18,064	$5,000,000

State allocation formula: $5 million (total available) divided by 18,064 (total no. of months) = $276.79362 per inmate month times the number of inmate months for respective state.

Actual average cost per inmate:	$2,905
Average number of months per inmate:	10.5
Average annualized cost per inmate ($277 x 12 mo.):	$3,324

THURSDAY, MARCH 6, 1986.

COMMUNITY RELATIONS SERVICE

WITNESSES

GILBERT G. POMPA, DIRECTOR
BERTRAM LEVINE, ASSOCIATE DIRECTOR FOR POLICY DEVELOPMENT
WALLACE P. WARFIELD, ASSOCIATE DIRECTOR FOR FIELD COORDINATION
H. DALE MEEKS, ASSOCIATE DIRECTOR FOR ADMINISTRATION
ROBERT N. FORD, COMPTROLLER

Mr. DWYER [presiding]. The first item that we shall consider today is the fiscal year 1987 budget request for the Community Relations Service. The request is for $32,009,000. This amount is an increase of $3,395,000 above the amount that was appropriated for fiscal year 1986 adjusted for sequestration under Public Law 99-177.

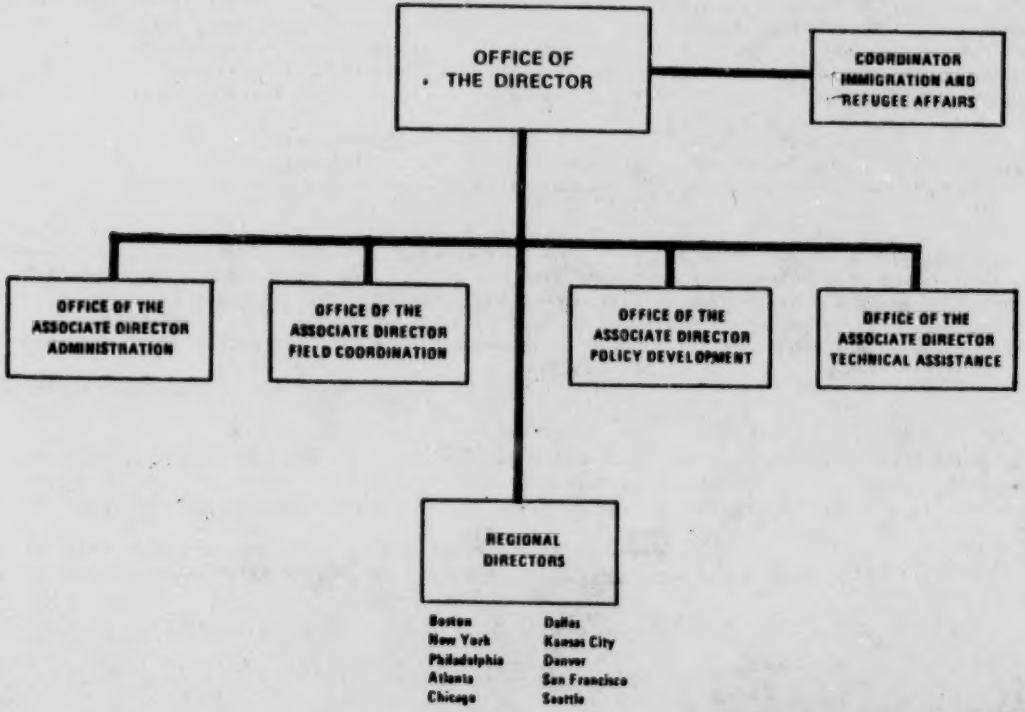
We shall insert at this point in the record the justifications submitted in support of this request.

[The justification materials follow:]

Department of Justice
Community Relations Service
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Summary of Resources by Program	8
Justification of Program and Performance	9
Priority Rankings	23
Detail of Permanent Positions by Category	24
Summary of Adjustments to Base	25
Justification of Adjustments to Base	26
Summary of Requirements by Grade and Object Class	28
Consulting and Related Services	30

THE COMMUNITY RELATIONS SERVICE



Approved: William French Smith Date: 2/15/84

William French Smith
Attorney General

Legal Activities

Salaries and expenses, Community Relations Service

Summary Statement

Fiscal Year 1987

The Community Relations Service is requesting, for 1987, a total of $32,009,000; 118 permanent positions, and 115 workyears. This request represents a net increase over the 1986 appropriation of $2,109,000.

The Community Relations Service budget contains two budget activities: Prevention and conciliation of community disputes; and, Reception, processing and care of Cubans and Haitians. These activities include five programs: Technical Assistance; Program Operations; Executive Direction and Control; Administrative Services; and Reception, Processing and Care of Cubans and Haitians.

Prevention and Conciliation of Community Disputes

This activity is responsible for providing assistance to communities in preventing and resolving conflicts involving racial and ethnic minorities. By bringing disputes to the negotiating table before they are acted out in street violence or in litigation, the Community Relations Service (CRS) forestalls the eventuality of more drastic federal intervention in the form of investigation, prosecution or use of marshals or the military to preserve or restore the peace. CRS thus makes an essential contribution to the federal responsibility of fulfilling the constitutional mandate of ensuring the domestic tranquility.

The Technical Assistance program is an integral part of this process. It makes possible improved program performance by enabling the field staff to more efficiently and successfully resolve disputes by providing technical information and the assistance of program specialists and outside experts.

The Program Operations program consists principally of the Agency's 10-region field staff of conciliators and mediators--the Service's primary mechanism for resolving the many racial and ethnic conflicts which disrupt harmonious relationships and threaten the peace of the community. Problem areas include, but are not limited to, law enforcement immigration, corrections, education, employment, housing, community development, Indian rights and economic development programs. CRS' intervention in such disputes as a third-party expert capable of enabling antagonists to work out voluntary solutions helps to avoid the prolongation and escalation of social conflict, racial violence, economic loss, and community estrangement.

The Executive Direction and Control program embraces those principal areas of activity by which the Director establishes, transmits, and monitors the planning and execution of policies and programs.

The Administrative Services program is responsible for supporting all the activities and programs with administrative, budget and personnel services.

Reception, Processing and Care of Cubans and Haitians

This activity is responsible for the care and processing of Cuban and Haitian entrants as authorized by Title V of the Refugee Education Assistance Act of 1980, Public Law 96-422, and by Executive Order 12341 of January 21, 1982, transferring these functions to the Department of Justice. Five program areas are involved:

1. Resettlement of Cuban entrants from the Atlanta Federal Penitentiary and state and local detention facilities when paroled by the Commissioner of INS.
2. Resettlement and placement of Cuban and Haitian entrants from the Immigration and Naturalization Service's service processing centers;
3. Primary and secondary resettlement services for Cuban and Haitian entrants whose initial sponsorships failed;
4. Resettlement of Cuban nationals approved for release to community-based residential situations from Public Health Service mental health care outplacement projects; and,
5. Cuban adjustment, research and evaluation activities.

Salaries and expenses, Community Relations Service

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Community Relations Service

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, [$29,900,000], of which [$23,266,000] shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under Section 501(c), the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1809) for the processing, care, maintenance, security, transportation and reception and placement in the United States of Cuban and Haitian entrants: Provided, That notwithstanding section 501(e)(2)(B) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1810), funds may be expended for assistance with respect to Cuban and Haitian entrants as authorized under section 501(c) of such Act.

of which	$32,009,000
shall remain available until expended to make payments in	$24,829,000

(5 U.S.C. 903; Reorganization Plan No. 1 of 1966; Department of Justice and Related Agencies Act, 1986).

Explanation of changes:

No substantive changes proposed.

Legal Activities

Salaries and expenses, Community Relations Service

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered				
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	4.3% Reduc.	Reprogrammings Pos.	WY	Amt.	Rev. Amt.
1. Prevention and Conciliation of Community Disputes														
a. Technical Assistance	6	6	$381	...	...	-$8	6	6	$373	-$16	...	...	...	$357
b. Program Operations	63	67	4,991	...	...	-103	63	67	4,888	-210	...	...	...	4,678
c. Executive Direction and Control	13	13	1,088	...	...	-22	13	13	1,066	-46	...	...	...	1,020
d. Administrative Services	6	6	314	...	...	-7	6	6	307	-13	...	...	...	294
Subtotal	88	92	6,774	...	...	-140	88	92	6,634	-285	...	...	...	6,349
2. Reception, Processing, and Care of Cuban and Haitians	30	23	26,604	...	...	-3,338	30	23	23,266	-1,001	...	...	...	22,265
Total	118	115	33,378	...	...	-3,478	118	115	29,900	-1,286	...	...	...	28,614

Salaries and expenses, Community Relations Service

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Prevention and Conciliation of Community Disputes.....	88	92	$6,774	...	...	-$140	...	...	...	88	92	$6,634
2. Reception, Processing and Care of Cubans and Haitians.....	30	23	26,604	...	...	-3,338	...	...	...	30	23	23,266
Total.....	118	115	33,378	...	...	-3,478	...	...	...	118	115	29,900

Congressional Appropriation Actions

The Congress reduced the activity, "Prevention and Conciliation of Community Disputes" by $140,000 and the activity, "Reception, Processing and Care of Cubans and Haitians" by $21,000 for the requested pay restoration. In addition, the Reception, Processing and Care activity was reduced $1,100,000 to enable the funding of the Sentencing Commission. It was further reduced $2,217,000 which impacts on the amount of resources provided to the Public Health Service for the purpose of providing in-patient and outplacement mental health care services to Cuban and Haitian entrants with mental disabilities.

Salaries and expenses, Community Relations Service

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm Pos.	Work-Years	Amount
1986 as enacted	118	115	$29,900
Uncontrollable increases	...	...	590
Decreases (non-policy)	...	...	-18
1987 base	118	115	30,472

Estimates by budget activity	1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
1. Prevention and conciliation of community disputes	88	92	$6,345	88	92	$6,634	88	92	$7,180	88	92	$7,180	...	...	...
2. Reception, processing and care of Cubans and Haitians	30	23	34,388	30	23	23,266	30	23	23,292	30	23	24,829	...	...	$1,537
Total	118	115	40,733	118	115	29,900	118	115	30,472	118	115	32,009	...	...	1,537

39-584 O—86—14

Salaries and expenses, Community Relations Service

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prevention and Conciliation of Community Disputes:																		
Technical Assistance	6	6	$361	6	6	$349	6	6	$373	6	6	$421	6	6	$421	...	...	...
Program Operations	63	67	4,861	63	67	4,696	63	67	4,888	63	67	5,278	63	67	5,278	...	...	...
Executive Direction and Control	13	13	1,050	13	13	1,014	13	13	1,066	13	13	1,126	13	13	1,126	...	...	...
Administrative Services	6	6	296	6	6	286	6	6	307	6	6	355	6	6	355	...	...	...
Subtotal	88	92	6,568	88	92	6,345	88	92	6,634	88	92	7,180	88	92	7,180	...	...	...
Reception, Processing and Care of Cubans and Haitians	30	23	26,524	30	23	34,388	30	23	23,266	30	23	23,292	30	23	24,829	...	...	$1,537
Total	118	115	33,092	118	115	40,733	118	115	29,900	118	115	30,472	118	115	32,009	...	...	1,537
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime		...			...			...			...			...			...	
Total compensable workyears		115			115			115			115			115			...	

Activity Resource Summary
(Dollars in thousands)

Activity: Prevention and Conciliation of Community Disputes

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance	6	6	$373	6	6	$421	6	6	$421	...	...	...
Program Operations	63	67	4,888	63	67	5,278	63	67	5,278	...	...	...
Executive Direction and Control	13	13	1,066	13	13	1,126	13	13	1,126	...	...	...
Administrative Services	6	6	307	6	6	355	6	6	355	...	...	...
Subtotal	88	92	6,634	88	92	7,180	88	92	7,180	...	...	...

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance	6	6	$373	6	6	$421	6	6	$421	...	...	...

Long-Range Goal: To enhance the delivery of expert conflict resolution services to state and local officials and community leaders.

Major Objectives:

To assist administration of justice agencies to overcome problems that cause conflict and confrontation, and to implement policies, procedures, and programs that reduce friction with the local community.

To help school systems to reduce interracial and interethnic conflict manifest in classroom violence, youth gangs, disproportionate discipline and performance and community confrontations, and to reduce the impact of those problems on educational achievement.

To maintain a technical center of periodicals, articles, and materials pertaining to issues affecting the work of the Community Relations Service.

Base Program Description: This program function is an integral part of the conciliation and mediation process. It improves program performance by providing field staff with essential background and technical information to more efficiently and effectively resolve disputes. Community Relations Service' conciliators and mediators are trained and experienced in the skills of community conflict management. Often their role is that of a catalyst, enabling resources within the community to combine in a new pattern in order to resolve a specific problem. Frequently, however, local resources need bolstering from the outside. Such assistance is provided by and through the Office of Technical Assistance & Support (OTAS).

Various categories of cases are given support by OTAS through staff program specialists, whose role is to: 1) provide expert assistance on-site; 2)identify and arrange for the services of other experts, as needed; 3) update the background and skills of field staff through training and the provision of materials; 4)coordinate the inter-regional transfer of experience and technology; 5) identify and distribute models of programs used successfully in other communities; 6) conduct special research to meet the needs of specific cases; and 7) develop new program tools to respond to new types of problems. Program specialists also maintain liaison with private sector institutions and public agencies to exchange information, provide technical support, encourage collaborative programs and co-sponsor seminar conferences and other national programs. Such activity often stimulates the use of private sector resources in lieu of Federal programs. Because community conflicts relating to law enforcement and to education are the source of the most frequent and complex types of cases, OTAS dedicates two technical assistance desks exclusively to these areas.

Accomplishments and Workload: Accomplishments of the Technical Assistance Program are presented in the following table:

Item	1984	1985	1986	1987
Case consultations	572	576	615	615
Items of technical information provided	2,071	2,534	2,322	2,322
Technical publications produced	2	2	2	2
Training models distributed	30	34	40	40
Case analyses conducted	...	9	12	12
Status Reports on CRS case activity	4	5	4	4

In 1984, OTAS provided 2,071 items of technical materials or service packages to CRS staff in Education, the Administration of Justice, and other agency program areas. It conducted 572 consultations with regional staff on various cases, and provided 86 days of on-site assistance in specific situations; OTAS consultants contributed another 109 days.

The Office compiled and developed a Manual of Conciliation and Mediation, which now, along with the Operational Data Information System (ODIS), forms the basis to identify standard techniques and practices in resolving and managing community disputes.

A major area of CRS involvement continued to be conflicts arising from police use of deadly or excessive force. OTAS has been active in coordinating national resources that address the issue, and providing individual police departments and training academies with strategies and program models for dealing with excessive force. The Office has since its inception focused on stimulating and disseminating information about innovative and cooperative efforts between police agencies and coalitions of minority groups. Finally, OTAS has been instrumental in sensitizing local police departments to the issues of civil liability.

In education, OTAS developed a series of videotapes on school disruption and violence, and arranged for showings and discussion of the materials for educators and law enforcement officials throughout the nation. The Office was also instrumental in setting up a collaborative working relationship between CRS and the National School Safety Center.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program Operations.....	63	67	$4,888	63	67	$5,278	63	67	$5,278	...	...	...

Long-Range Goal: To assist in reducing racial community conflict and violence through such voluntary means as: conciliating or mediating specific conflicts; preventing or reducing violence; establishing mechanisms for better communication and dispute resolution; providing an alternative to litigation; and helping communities to peacefully address underlying proble

Major Objectives:

To help resolve approximately 950 racial-ethnic community disputes and conflicts.

To identify and provide special assistance to vulnerable communities to reduce the risk of racial violence.

Base Program Description: Community confrontations and disruptions related to disputes based on race, color or national origin occur throughout the United States, in many areas of human endeavor, and involve all of the larger and many of the smaller minority populations. Efforts to redress inequities, and resistance to such efforts, create many thousands of conflicts which disrupt harmonious relationships and threaten the peace of the community. Problem areas include law enforcement, immigration, corrections, education, employment, housing, community development, Indian rights and economic development, among others. CRS intervention in such disputes as a third-party expert capable of enabling

antagonists to work out voluntary solutions helps to avoid the prolongation and escalation of social conflict, racial violence, economic loss and community estrangement.

Community conflict related to racial inequities in education is prevalent throughout the nation. Problems proliferate as more and more school districts seek to educate an increasing proportion of minority students in a school environment inadquately prepared for change. There is a growing schism along racial lines on such issues as school closings, bilingual education, unequal discipline standards, resegregation of once-desegregated schools, displacement of minority school teachers, and the choice of new programs which seek educational excellence in ways that serve the needs of minorities as well as whites. With minority school populations growing steadily in all areas of the country, conflicts over these issues will present a growing demand for CRS intervention in 1987.

Demographic changes also contribute to the volatility of minority relations. Seven hundred thousand Indochinese refugees who have settled in American communities in recent years have begun to visibly assert their claims to social and economic equity. Other Asian-American groups (such as the Chinese and Japanese) also report increasing incidents and tension levels with other racial groups. The Hispanic population, native and resident, as well as undocumented persons, is growing rapidly and moving to non-traditional areas of settlement; and no effective solution has yet been found to steady the influx of undocumented people. If adopted, proposed changes in immigration policy--particularly provisions for legalization of undocumented persons, guest workers and tighter border patrols--are likely, at the outset, to be accompanied by community tension along racial and ethnic lines. The increasing flow of undocumented persons from Mexico and El Salvador and elsewhere in Latin America will result, by 1987, in an unprecedented number of undocumented persons in the United States. Efforts to enforce immigration laws with respect to this population group are likely to escalate community conflicts.

Accomplishments and Workload: Accomplishments of the Program Operations program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Alerts received	1,662	2,060	2,200	2,200
Assessments processed	1,297	1,494	1,300	1,200
Conciliation cases conducted	952	1,069	950	900
Conciliation cases closed	718	826	750	700
Mediation cases conducted	22	28	25	20
Mediation cases closed	16	16	19	19
Community Tension Appraisals conducted	60	60	60	60

While the CRS mandate requires the agency to resolve conflicts in individual communities, the net effect is to help assure the domestic tranquility of the entire nation. There were approximately 1,100 conflicts resolved in 1985. If unresolved, these conflicts would have either: a) escalated into violence; b) required stringent and costly measures of law enforcement; c)lead to costly and embittering litigation; or d) added to the smoldering pile of unresolved grievances which already burdens

the minority consciousness. The CRS annual assessment of racial tension gives evidence that the resolution of conflict by CRS in a manner which reduces the minority perception of inequity and which demonstrates the responsiveness of established institutions, significantly reduces the risk of violent confrontations.

Since history has demonstrated that racial conflict tends to be epidemic, it is reasonably fair to assume that the timely resolution of these conflicts helped to avoid their escalation and spread.

In 1985, CRS increased the efficiency of its "early warning system" for appraising the vulnerability of major cities for outbreaks of racial violence. The establishment of pre-screening criteria permitted more efficient utilization of resources on this project.

Local law enforcement agencies continue to seek CRS assistance in improving police-community relations as more communities become sensitive to their vulnerability to heavy costs of liability suits alleging police misconduct. In most instances, such requests have led to revised programs, policies or training with respect to police use of force. CRS efforts throughout the country have assisted State and local law enforcement agencies, as well as civic leadership groups, to develop a non-federal response to minimize the destructive effects of hate group activity.

CRS provides mediation as a cost effective means of resolving certain lawsuits. Community racial conflicts continue to find their way into federal courts where they often linger for several years, at great cost to the courts and to the parties, while the consequences of the conflict fester in the community, embittering minority relations. When the issues are finally adjudicated on an adversarial basis, resentment persists and the antagonism between the parties grows more severe. To resolve such problems, a number of U.S. District Court Judges have been seeking an alternative to litigation by referring selected disputes involving race, color or national origin to mediation by CRS. The results in most cases have been the negotiation, in short order, of harmonious settlements. The benefits go beyond the cost savings, which can range upward of $100,000 per case. They include abatement of the community antagonism which the suit perpetuated. They also help to establish a more amicable relationship between the parties who are now better prepared to settle among themselves many of the future conflicts which will arise.

CRS has helped school officials throughout the country prevent and contain student racial violence. Pilot projects involving collaboration with state departments of public instruction have generated the increased application of state resources to the prevention of school violence. In the State of Washington, the focus had been to train School Administrators and develop regional resource networks. In Pennsylvania, the Governor has provided all school districts with CRS-produced video tapes.

	1986 as Enacted			1987 Base			1987 Estimate			Increase Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control.....	13	13	$1,066	13	13	$1,126	13	13	$1,126	...	...	...

Long-Range Goal: To implement those principal areas of activity by which the Director establishes, transmits and monitors the planning and execution of policy and program.

Major Objectives:

To develop and implement agency policy and provide management and supervision that assures maximum agency service delivery.

To conduct and coordinate pertinent communications with the public, other Departments, Federal agencies, and the Congress.

To provide legal review and analysis to headquarters and field personnel.

To prepare the annual budget and determine how appropriated resources shall be allocated.

To coordinate program planning, related at all levels to operational analysis and evaluation.

Base Program Description: In establishing the Community Relations Service by Title X of the Civil Rights Act of 1964, the Congress authorized the appointment by the President of a Director empowered to select personnel to carry out the functions and duties of the Service. The program of Executive Direction and Control embraces those principal areas of activity by which the Director establishes, transmits, and monitors the planning and implementation of policies and programs. The demands upon CRS for service in conformity with its statutory mandate far exceed the agency's resources. Thus, the primary responsibility of the Director is to assure the most effective and efficient utilization of agency personnel and funds. This is made possible through the Operational Planning System, a cyclical process involving the planning of programs in response to guidance provided; the reporting, monitoring and evaluation of program implementation; the routine study of program and policy issues; the Quality Assurance System; and development of the budget and subsequent supervision of the achievement of its objectives.

The functions of executive direction and control are performed directly within the Office of the Director and within the Office of Policy Development.

Responsibility for the interpretation of the Agency to the public, for legal counsel, and for legal technical assistance to the regions are all lodged in the Office of the Director. Media and Congressional relations are conducted by the Director and his personal staff. The part-time efforts of other staff members are also utilized to fulfill the agency's public affairs delegations and requirements.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Office plans reviewed/approved	15	15	15	15
Budget submissions and supportive testimony and briefings	3	3	3	3
Reports on statistical evaluation and analysis of operations	4	4	4	4
Quarterly statistical reports to Regional Directors	30	40	40	40
Issue papers prepared	2	4	4	4
Analyses of regional trends	4	2	2	2
Annual Community Tension appraisal	1	1	1	1
Responses to public and Congressional inquiries	70	50	50	50
Responses to FOIA/PA inquiries	60	39	45	45
Responses to requests for legal assistance from CRS offices	650	650	650	650
Proposed legislation studied	5	5	5	5
Periodic reports to Attorney General or Deputy Attorney General	100	36	36	36
Judicial & Legislative items for review	800	750	750	750

Case information reported through the computerized Operational Data Information System provided the data base for quarterly and annual statistical analysis reports that monitored program implementation. These reports also provided agency-wide workload and performance data analysis that contributed to further policy development and to budgetary planning. Adoption of a Quality Assurance System in 1983 enhanced the agency's capability for monitoring and evaluation of the program. A Quality Assurance Board, chosen from executive and field staff, provides peer review of the conduct of casework.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services	6	6	$307	6	6	$355	6	6	$355	...	...	...

Long-Range Goal: To provide support for all the activities and programs with administrative, budget and personnel services.

Major Objectives:

To provide timely fiscal control and effective position management over resources flowing to or from the Service.

To provide timely advisory service to all management levels on technical matters related to administrative services.

To provide for the timely processing of all administrative related requests for space, security, procurement, travel, financial reimbursement and all other administrative requests.

To provide direct financial and administrative control over the grants aspects of the Cuban/Haitian Entrant Program.

To provide for timely and efficient mail and messenger service.

To provide physical security for government and privately owned equipment under the control of the Service.

To provide for the implementation of an equal employment opportunity program for the Service.

To provide for a centralized records management system.

Base Program Description: Necessary administrative services are currently provided primarily through a liaison process with the Justice Management Division (JMD). The Administrative Services Program provides direct input of vouchers, personnel a requests, requests for goods and services, obligating documents, inventory control, etc., to the JMD accountability systems through a centralized administrative office located in the CRS headquarters. In addition, security and equal opportunity systems are provided directly by personnel assigned to the unit. Beginning with the transfer of the Cuban/Haitian Entrant Program, this office assumed additional responsibility in the direct monitoring of grants.

Accomplishments and Workload: Accomplishments of the Administrative Services program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Personnel actions reviewed and processed	290	250	250	250
Procurement actions reviewed and processed	650	700	700	700
Budgets prepared	3	3	3	3
Space adjustments processed	4	4	4	4
Financial records created	4,000	4,100	4,100	4,100
Invoices processed	1,500	1,500	1,600	1,600
Management analyses performed	...	11	11	11
CRS directives published	6	6	6	6
Special reports prepared	70	80	80	80
Financial reports prepared	100	110	110	110
Special projects conducted	12	24	24	24

Most major objectives contained within this program are ongoing in nature, and are not completed except for planning stages of new systems.

Activity: Reception, Processing and Care of Cubans and Haitians	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Reception, Processing and Care of Cubans and Haitians.....	30	23	$23,266	30	23	$23,292	30	23	$24,829	...	...	$1,537

Long-Range Goal: To administer the orderly placement and resettlement of Cuban and Haitian entrants in such a manner as to avoid community conflict and minimize the impact on public assistance and public safety.

Major Objectives:

To provide resettlement services to Cuban and Haitian entrants released by the Immigration and Naturalization Service (INS), through the use of various voluntary and private agencies, and to monitor these resettlements.

To provide shelter care and child welfare services to Cuban/Haitian entrant minors and to arrange eventual sponsorships and placements for these minors.

To provide primary secondary resettlement for Haitian entrants in the South Florida area who have not attained self-sufficiency in the community.

To provide community resettlements for Cuban entrants approved for release from Public Health Service funded mental health care outplacement projects.

Base Program Description: This decision unit addresses the needs of Cuban and Haitian entrants who continue to need reception, processing, resettlement, placement, and other services from the Federal government. The primary populations served include certain Cubans who arrived in this country during the Mariel boatlift of 1980 and thos Haitians who arrived in 1980 and each year thereafter and who have subsequently been detained by the INS for their undocumented entry into the United States.

When INS determines these entrants releasable from detention or when a court intervenes, CRS arranges a sponsorship or placement for the entrant, except for those requiring psychiatric care. Those requiring psychiatric care have placements arranged by the U.S. Public Health Service.

Reception, care and processing functions supported by this decision unit encompass a broad range of program activities, depending on the category of entrant: (1) those entrants and other status aliens who have been placed into U.S. communities; (2) those entrants and other status aliens who are in Federal custody who need to be placed or resettled; and (3) those who will remain in Federal custody indefinitely. First category populations are provided one or more of three types of assistance. If they have long-term health or mental health conditions or are mentally retarded, they receive institutional care from a Federal hospital or community-based care project. If they are part of a group detained by INS and subsequently ordered released by an immigration judge or Federal District Court, they are placed and receive Federally funded assistance and services. If paroled into a community by the INS and experiencing a failed initial sponsorship, they are eligible for a secondary resettlement and associate services to help them become economically self-sufficient.

Secondary category populations (those still in custody but determined releasable) receive continual medical and mental health screening and care including hospitalization when necessary while they are in custody, and resettlement assistance upon their release. Third category populations (those in Federal custody for indefinite, extended periods) receive all health and mental health evaluation and care services noted above.

All medical and mental health screening and evaluation activities, and the medical and mental health services provided by Federal hospital and cooperative agreement projects are administered by the U.S. Public Health Service. All primary and secondary resettlement services and shelter care placement services are provided by the Community Relations Service.

426

CRS resettlement, placement, and research and evaluation activities in 1987 are structured around four program areas. These are:

Area #1. Resettlement of Cuban entrants approved for release from the Atlanta Federal Penitentiary and state and local detention facilities by the Commissioner of INS or his designated representative;

Program Area #2. Resettlement and placement Cuban and Haitian entrants including minors, from INS Service Processing Center;

Program Area #3. Primary and secondary resettlement services for Cuban and Haitian entrants whose initial sponsorships failed; and

Program Area #4. Resettlement of Cuban entrants approved for release to community-based residential projects from Public Health Service mental health care outplacement projects.

Accomplishments and Workload: Accomplishments of the Reception, Processing and Care program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
1. ENTRANT POPULATION:				
a. Cuban Haitian Entrants (at the beginning of the year)	1,409	1,755	2,195	2,195
b. Arrivals and revocations of parole during the year	1,167	1,020	1,080	1,080
c. Resettlements during the year	677	897	1,450	1,450
2. GRANT ACTIVITIES:				
a. Grant proposals processed	42	36	30	30
b. Resettlement grants awarded	28	20	20	20
c. Agencies receiving grants	22	22	20	20
d. On-site visits	65	65	80	80
1. Population				
a. Entrants in long-term health and mental health care	390	398	400	400
2. Health and mental health care				
a. Long-Term Care Residents at:				
Federal Facilities (PHS)	117	167	203	203
Non-Federal Facilities (PHS)	273	231	197	197
b. Individuals in need of long-term care:				
Other facilities (DOJ)	227	30	90	90
c. Short-Term Care:				
Number of clinic visits	9,275	12,655	12,655	12,655
Number of hospital days	578	610	610	610
d. Mental Health evaluations:				
PHS INS Facility, St. Elizabeth's Hospital	50	50	50	50
Atlanta Federal Penitentiary (AFP)	1,830	2,755	2,000	2,000
Other DOJ Facilities	50	50	100	100

Accomplishments and Workload (Continued):

Item	1984	1985	Estimates 1986	Estimates 1987
3. Grant activities:				
a. Mental health placement project applications processed (new projects only).....	19	6	6	6
b. Mental health placement projects awards.....	8	8	6	6
c. Agencies receiving placement project awards.....	7	7	6	6
d. Cooperative agreements liquidated.....	...	...	...	...
e. Cooperative agreements unliquidated.....	8	8	7	7
f. Cooperative agreements audited.....	7	8	7	7
g. On-site visits.....	43	44	33	33

CRS was selected to administer the Cuban Haitian Entrant Program in 1983, and received direct administrative control on March 6, 1983. During 1984 and 1985 the following accomplishments were realized in each program area:

Program Area #1: Two hundred and sixty-two Cuban entrants approved for release under the Attorney General's Status Review Program were resettled to special placement projects (half-way house programs) and to individual family and non-family sponsorships in communities across the U.S. Resettlement activity included 214 cases in 1984. In FY 1985, the repatriation agreement with the Government of Cuba caused the suspension of the Attorney General's Status Review Program, halting all resettlement activity during the remainder of the year. With the cancellation of the December 14, 1984 repatriation agreement and the resumption of INS reparole reviews, approximately 300 cases will be resettled to special placement projects in FY 1986 and 240 in FY 1987. An additional 80 Cuban entrants will be resettled to special placement projects in FY 1986 from state and local detention facilities in order to avoid having to return them to the Atlanta Federal Penitentiary.

Program Area #2: Approximately 1,020 Cuban and Haitian entrants approved for humanitarian release from INS detention were resettled into the South Florida area or placed in shelter care facilities by CRS during 1984 - 1985. It is further expected that CRS will be required to provide 425 resettlements and shelter care placements for Haitian entrants during 1986.

Program Area #3: Approximately 331 Cuban and Haitian entrants in the South Florida area who had received earlier sponsorships that failed were provided with primary or secondary resettlement services during the 1984 - 1985 period. It is expected that an additional 525 primary and secondary resettlements will be provided in 1986 including approximately 125 resettlements under a planned secondary resettlement program designed to help entrants achieve economic self-sufficiency.

Program Area #4: Approximately 40 resettlements were provided to "graduates" of PHS outplacement mental health care projects in 1984 - 1985 through a combination of customized (half-way house) placement projects and individual sponsorship program placements. It is expected that an additional 125 clients will be ready for community based resettlements in 1986 and 1987.

Further, CRS has provided extensive training, technical assistance and dispute resolution support to local governments and community-based organizations concerned with Cuban and Haitian entrant related problems. The training, conciliation and fact-finding services provided by CRS have ranged from training of public safety department sworn officers in cross-cultural awareness techniques for dealing with creole-speaking Haitians to resolving community conflicts surrounding the siting of special placement projects. Significant management attention to the task of integrating Cuban/Haitian Entrant program staff with the conciliation staff of the agency has resulted in valuable cross-training and skills building within the agency.

PHS Accomplishments. During 1985, health care and related services were provided by PHS to Cuban and Haitian entrants detained by the INS, at various locations throughout the United States.

Medical Care: At the Krome North Service Processing Center (KNSPC), Miami, Florida medical screening and medical care were provided by PHS personnel assigned to the PHS Medical Facility at this Center and by community hospitals and other health care providers in the Miami area under contract with PHS. In 1985, PHS screened 3,402 entrants in connection with the determination of their admissibility into the United States and to assure that they do not pose a health or safety threat to themselves or others.

During 1985, the average daily Cuban/Haitian detainee population was approximately 385 individuals representing a total of 140,525 detainee days. The medical facility provided 10,452 medical visits, 1,584 mental health care encounters and 619 dental visits. Thirty-six detainees were hospitalized for tuberculosis. There were, however, 460 days of hospital care for medical and surgical problems and for psychiatric illness. In addition, specialized care is being provided to five patients at the National Hansen's Disease Center, Carville, Louisiana.

Program effectiveness is monitored not only by supervisory PHS personnel at each site but through periodic site visits by senior personnel and program and contract specialists from the Office of the Assistant Secretary for Health, the Centers for Disease Control and the National Institute of Mental health, Alcohol, Drug Abuse and Mental Health Administration.

Mental Health Care: During 1984, two new cooperative agreements were concluded with community-based residential mental health care providers bringing the total number of such programs to eight. These programs are designed to provide comprehensive treatment and rehabilitation following the Cubans' release from the Relief or Home Buildings or other restrictive environments but while the Cubans remain a Federal responsibility. At the beginning of 1984, the outplacement capacity was 223 Cubans. This figure increased to 273 at the end of 1984. Each of the programs received at least four monitoring visits. The PHS conducts mental health evaluations of those Cubans in Federal custody to identify individuals who are mentally ill and/or mentally retarded. Placement options were then developed for each individual in preparation for the transfer to an appropriate level of care at a PHS inpatient or community-based treatment facility.

The full range of mental health evaluations provided includes initial psychiatric evaluation, psychological testing, neuropsychological testing, neurological evaluation (and, if necessary, EEG or CT Scan) and psychiatric or psychological re-evaluation on a regular basis. The schedule for re-evaluation of mentally ill Cuban inmates was once every 6 months to yearly depending on diagnosis and severity of illness. For other inmates it was every 2 years except for forensic cases which were seen every 6 months to yearly depending, again, on diagnosis and severity of illness. Oversight of this activity is maintained on a continuing basis by the National Institute of Mental Health.

During 1985, PHS expanded its use of the Home Building on the grounds of St. Elizabeths Hospital. This facility provided an addition to mental health space by 25 beds at the beginning of 1985, with a further accretion of 50 beds (total of 75) during the year. The Home Building and the Relief Building provide for a total of 155 beds to be used for seriously mentally ill entrants in need of inpatient care pending repatriation. This service allows for the removal from Atlanta BOP FCI of any acutely ill entrant who poses a threat to himself or could benefit from a more intensive program.

In addition, an extensive screening process was continued by PHS at the Atlanta Federal Penitentiary and other sites to determine the mental health status of the entrants as part of the Attorney General's Review Plan. Through 1984, 3,312 mental health evaluations were completed and 700 appeals of Class A certifications were heard.

Program Changes: A program increase of $1,537,000 is requested for 1987. In 1986, the appropriation for the Cuban-Haitian Entrant Program was reduced $3.3 million below the request level. However, in 1986, the Cuban-Haitian Entrant Program renewed its full-scale outplacement activity for Cuban entrants released by the INS from the Atlanta Federal Penitentiary. Renewed outplacement activity was necessitated by the shortage of secure detention space for Cuban entrants being returned to federal custody from state and local detention facilities. This shortage resulted from: (1) the termination of the repatriation agreement with the Government of Cuba which would have taken 2,746 Cuban entrants out of the state and federal prison system; and (2) the unexpectedly high rate of parole revocation for Cuban entrants, which results in the return to federal custody from state and local facilities of about 100 Cuban entrants per month.

During 1986, the Cuban-Haitian Entrant Program is absorbing this reduction through renegotiation of resettlement grants, reduced funding for mental health care outplacement projects administered by the Public Health Service, and use of carryover funds. In addition, the repatriation agreement caused a hiatus in outplacement activity and the termination of the Attorney General's Status Review Panel which freed up resources for use in 1986 that would not normally have been available.

In 1987, carryover resources will be exhausted. Without the program increase of $1.5 million, the Cuban-Haitian Entrant Program will not be able to accommodate the outplacement requirements of the INS for Cuban entrants in the Atlanta Federal Penitentiary. If space is not available in the Atlanta Federal Penitentiary, the INS will not be able to accept Cuban entrants into federal custody from state and local prisons. Moreover, without the program increase, the Cuban-Haitian Entrant Program will not be able to provide the Public Health Service with adequate funding to continue in-patient and out-placement mental healthcare for mentally disabled Cuban entrants in federal custody.

Legal Activities

Salaries and expenses, Community Relations Service

Priority Rankings

Base Program	
Program	Ranking
Reception, Processing and Care of Cubans and Haitians	1
Program Operations	2
Executive Direction and Control	3
Administrative Services	4
Technical Assistance	5

Program Increase	
Program	Ranking
Reception, Processing and Care of Cubans and Haitians	1

Legal Activities

Salaries and expenses, Community Relations Service

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Request
Regional Directors (340)	10	10	10
Senior Conciliation Specialists (301)	10	10	10
Conciliation Specialists (301)	41	42	42
Tech. Asst. Specialists (301)	1	2	2
Accounting and Budget (500-599)	1	2	2
General Admin., Clerical and Office Services (Other 300-399)	55	52	52
Total	118	118	118
Washington	43	33	33
U.S. Field (Located in Washington)	6	7	7
U.S. Field	69	78	78
Total	118	118	118

GENERAL STATEMENT

Mr. DWYER. And we are pleased to welcome back to the committee today the Director of the Community Relations Service, Gilbert Pompa.

Mr. Director, please proceed with your statement at your own pace.

Mr. POMPA. Thank you, Mr. Chairman. I am pleased to appear in support of the appropriation request for Community Relations Service.

The request is for $32,009,000, 118 positions, and 115 work years. The increase of $2,109,000 over the 1986 appropriation is drawn from two sources: $572,000 represents net uncontrollable increases; $1,537,000 represents a proposed programmatic increase for the processing and care of Cuban and Haitian entrants.

The Agency's work consists of two budget activities. The first, prevention and conciliation of community disputes, will require $7,180,000. The second, reception, processing and care of Cubans and Haitians, will require $24,829,000. Most of the Cuban-Haitian amount is for medical and mental health care administered by the Public Health Service.

The members of the Committee are quite familiar with the CRS conflict resolution program. I am prepared to update the Committee as to the details of the program in response to your questions. However, I would like to address my opening remarks to the special value of the Community Relations Service in a period of deficit reduction. I refer to the savings that flow from the cost avoidance benefits which accrue to the other agencies of the United States Government as a result of CRS' preventive programming.

We handle about 1,000 cases a year in 350 to 400 communities. Often a CRS settlement early in the controversy prevents escalation that would require a more costly Federal effort via enforcement, investigation, and litigation.

CRS assessments of racial tension which identify the most vulnerable cities across the United States enable the Attorney General to make informed judgments in deploying Federal resources to ensure domestic tranquility. Without this capability, the Federal Government would be caught off guard when racial disruptions occur. With this capability, localities can be targeted for special attention and additional resources to prevent or avoid costly major outbreaks. CRS assistance to local officials in resolving controversy can forestall the use of force by police or the calling out of U.S. Marshals, the National Guard, or as a last resort, Federal troops.

CRS provides conflict management training and assistance to local law enforcement and private agencies on techniques to prevent and to respond to violence and intimidation by such groups as the Aryan Nation, the Ku Klux Klan, Posse Comitatus, and cults such as the Rajneeshees. Effective local response prevents situations requiring investigation and prosecution by the FBI, U.S. Attorneys, and the Civil Rights Division, thus freeing those resources to address other priorities.

Salaries and expenses, Community Relations Service

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	118	115	$29,900
Adjustments to base:			
Uncontrollable increases:			
Within-grade increases	...	...	48
Health benefits costs	...	...	1
GSA rent	...	...	343
Postal service increases	...	...	3
GPO printing costs	...	...	1
General pricing level adjustment	...	...	194
Total, uncontrollable increases	...	...	590
Decreases:			
Federal Telecommunications System (FTS)	...	...	-18
1987 Base	118	115	30,472

Legal Activities

Salaries and expenses, Community Relations Service

Justification of Adjustments to Base
(In thousands of dollars)

Uncontrollable Increases:	Amount
1. Within-grade increases	$48
This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $44,000 and benefits $4,000 = $48,000).	
2. Health benefits costs	1
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 10 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $1,000 provides funds for increased costs from pay period No. 2 ($3,173) to pay period No. 3 ($3,213) projected for 26 pay periods.	
3. GSA Rent	343
Beginning in 1987, the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $343,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.	
4. Postal service increases	3
In 1985, the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent for 1986 will have to be absorbed. For 1987 the requested increase of $3,000 provides for a 10 percent increase over the 1985 budgeted base of $31,881.	

	Amount
5. Government Printing Office (GPO) printing costs	$1
The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $19,000. An additional $1,000 will be required in 1987.	
6. General pricing level adjustment	194
This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	
Total uncontrollable increases	590
Decreases (automatic non-policy):	
1. Federal Telecommunications System (FTS)	-18
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the decrease of $18,000 will be subtracted from the 1986 base of $182,352.	
Total adjustments to base	572

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $72,300	1		1		...	
ES-4, $68,700	2		2		...	
GS/GM-15, $52,262-67,940	12		12		...	
GS/GM-14, $44,430-57,759	12		12		...	
GS/GM-13, $37,599-48,876	46		46		...	
GS-12, $31,619-41,105	13		13		...	
GS-11, $26,381-34,292	1		1		...	
GS-9, $21,804-28,347	5		5		...	
GS-8, $19,740-25,662	10		10		...	
GS-7, $17,824-23,170	7		7		...	
GS-6, $16,040-20,855	2		2		...	
GS-5, $14,390-18,710	3		3		...	
GS-4, $12,862-16,723	3		3		...	
GS-3, $11,458-14,896	1		1		...	
Total, appropriated positions	118	$4,875	118	$4,924	...	$49
Pay above stated annual rates	...	18	...	18	...	...
Lapses	-7	-331	-7	-337	...	- 6
Net savings due to lower pay scales for part of year	...	...	...	...	...	...
Net permanent	111	4,562	111	4,605	...	43
Other than permanent:						
Part time permanent	4	144	4	145	...	1
Other personnel compensation:						
Overtime	...	22	...	22	...	...
Special personal services payments	...	4	...	4	...	...
Total, workyears and personnel Compensation	115	4,732	115	4,776	...	44
Average ES Salary		($68,700)		($68,700)		
Average GS/GM Salary		($37,843)		($37,852)		
Average GS/GM Grade		(11.6)		(11.6)		

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate 1/ Positions & Workyears	1987 Estimate 1/ Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
11.1	Full-time permanent	111	$4,562	111	$4,605	...	$43
11.3	Other than permanent	4	144	4	145	...	1
11.5	Other personnel compensation	...	22	...	22	...	...
11.8	Special personal services payments	...	4	...	4	...	...
	Total, workyears and personnel compensation	115	4,732	115	4,776	...	44
12	Personnel benefits		586		590		4
13	Benefits to former personnel		20		20		...
21	Travel and transportation of persons		772		638		-134
22	Transportation of things		14		14		...
23.1	Standard level user charges		666		1,009		343
23.3	Communications, utilities, and other rent		404		399		-5
24	Printing and reproduction		58		59		1
25	Other services		24,401		19,778		-4,623
26	Supplies and materials		73		75		2
31	Equipment		118		75		-43
41	Grants		4,902		4,576		-326
	Total obligations	115	36,746	115	32,009	...	-4,737
	Unobligated balance, start-of-year		-6,846		...		6,846
	Unobligated balance, end-of-year		...		...		...
	Total requirements	115	29,900	115	32,009		2,109
	Relation of obligations to outlays:						
	Obligated balance, start of year		13,848		23,771		
	Obligated balance, end-of-year		-23,771		-25,371		
	Outlays		26,823		30,409		

1/ Object Class distribution for 1987 differs from the 1987 Budget Appendix. The revised 1987 column reflects a more accurate distribution of resources.

Legal Activities

Salaries and expenses, Community Relations Service

Consulting and Related Services
(Dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Consulting Services	$18	$18	$18
Management and Professional Services	...	...	...
Special Studies and Analysis	...	...	...
Total	18	18	18

438

Consultants' services are used by the Community Relations Service only for those assignments which cannot be performed in-house. Consultants in various specialized areas of education and the administration of justice assist field staff in helping to resolve disputes and by working with community groups and major institutional leaders. Examples are police departments, school superintendent and school staff as well as community organizations which generally are led by business persons, as well as, civil rights organizations. No increases are requested for 1987.

GROUP CONFLICTS

As you are aware, the United States is making a major investment in building its defenses against terrorism. But the cost could be much greater. Many other nations must contend with indigenous groups which are so alienated that they are highly susceptible to recruitment into movements oriented toward violent political change. In defusing racial conflict and drawing early attention to the resolution of divisive problems that foment alienation, the Community Relations Service helps to reduce the susceptibility of targeted groups as recruitment pools.

Immigration and refugee related conflicts are increasing, often expressed in interracial violence, gang confrontations, and public protests. The flow of illegal and undocumented immigrants continues to feed the fears and anxieties of many people. Anti-Asian hate incidents coming to the attention of the Community Relations Service have risen 62 percent from fiscal year 1984 to 1985.

Immigration reform legislation, helpful as it will be, will be followed in the short term by elevated conflict and difficulties in many communities. Advance planning assistance by the Community Relations Service will help local jurisdictions to avoid many of these difficulties.

Schools continue to be arenas of racial and ethnic conflict. The resulting atmosphere chokes off the thrust for excellence and is conducive to gang violence, drug traffic, and other forms of delinquency. When CRS provides state and local school officials with improved techniques for managing violence in the classroom, Federal dollars designated for such purposes go much further.

The fight against crime has long been impeded by a historic antagonism between police and many minority groups. Police departments throughout the country have been making major strides in developing mutual trust between citizens and police forces, which are resulting in cooperative relationships and collaborative programs to reduce street crime. And here again, CRS assistance to local jurisdictions gives greater impact to Federal crime fighting dollars.

CUBAN-HAITIAN ENTRANT PROGRAM

Of the several responsibilities met by our Cuban-Haitian Entrant Program, the greatest increase of demand is for the placement of eligible persons paroled by the Immigration and Naturalization Service who cannot be confined to the Atlanta Federal Penitentiary because of lack of space.

For such persons, CRS arranges assignments to specially programmed halfway houses which prepare them for independent living in the community. And our programs provide them with language and employment skills so that they may not become either public charges or threats to public safety.

This outplacement activity is necessitated by the shortage of secure detention space for Cuban entrants being returned to Federal custody from state and local jails. Currently the rate of return is from 80 to 100 each month. Our outplacement program permits the Immigration and Naturalization Service to utilize its limited deten-

tion space for those entrants who pose more serious threats to the public.

Early in 1986, we had the intention and capability of taking 210 Cubans from the Atlanta Penitentiary into our halfway house projects. However, in response to the overwhelming need of the Immigration and Naturalization Service we increased that number to 240. We were able to do that by funding the projects for nine months rather than the full year. To maintain that program and other Cuban-Haitian outplacement activities at the same rate in 1987 will require the additional $1.5 million we are requesting.

As you know, the Federal Government has already had to procure additional detention facilities because of the overflow of Cuban entrants. Without CRS being able to maintain the full 240 places planned for in 1987, more costly confinement facilities will have to be procured by INS.

This concludes my statement, Mr. Chairman. I welcome the Committee's questions.

BALANCED BUDGET AND EMERGENCY DEFICIT REDUCTION ACT OF 1985

Mr. DWYER. Thank you, Mr. Pompa.

As a result of the sequestration of the Gramm-Rudman, the Community Relations Service for fiscal year 1986 was reduced by $1,286,000. What will be the impact on the activities of the Service as a result of this reduction?

Mr. POMPA. Well, we looked into a variety of alternatives to what we have been doing in the past, Mr. Chairman. Obviously we start off with travel, and we have cut back on some of that. We have also looked at various other activities that we might be able to cut back on and will be able to meet it.

Mr. DWYER. In other words, you are going to be able to absorb the $1,286,000 sequestration out of travel, and what else?

Mr. POMPA. Without having to reduce the staff of the Community Relations Service, I think we will be able to meet it, sir.

Mr. DWYER. Are you going to take it all out of travel?

Mr. POMPA. No, sir.

Mr. DWYER. Can you give me an idea of where it is going to come from.

Mr. POMPA. Yes. The major two categories are travel and training, sir.

Mr. DWYER. What type of training? Training that you spoke to in your statement, training local police departments?

Mr. POMPA. Mostly staff development plans that we had anticipated going into, staff development training for the staff itself.

Mr. DWYER. Your own staff?

Mr. POMPA. Yes, sir. And over $1,000,000 of it will have to be absorbed by the Public Health Service—part of the Cuban-Haitian entrant programs outlays.

Mr. DWYER. Are they not subject to sequestration?

Mr. POMPA. Well, we have reduced across the board, and they are part of the reduction that we had to impose. Although we fund the Public Health Service portion of the Cuban-Haitian Entrant Program.

Mr. DWYER. I understand that.

Mr. POMPA. I do not understand your question then.

Mr. DWYER. You are going to reduce the amount of money that you give to the Public Health Service for the services they render.

Mr. POMPA. Correct.

Mr. DWYER. They are faced with the same Gramm-Rudman Bill that you are faced with. How are they going to absorb that? They are getting a double barrel shot. They are getting their own Gramm-Rudman reduction and you are going to fend off to them part of your reduction.

Mr. POMPA. That is correct.

Mr. DWYER. Then you expect them to furlough people?

Mr. POMPA. No. They have indicated to us that they intend to absorb that without having to furlough people.

Mr. DWYER. You have an agreement with the Public Health Service to take a reduction?

Mr. POMPA. Yes, sir.

Mr. DWYER. Because of your sequestration?

Mr. POMPA. Yes, sir, that is correct.

Mr. DWYER. You have that agreement?

Mr. POMPA. We have that agreement.

Mr. DWYER. Okay. Do you anticipate coming before us for any type of reprogramming as a result of the sequestration?

Mr. POMPA. Not at this time, sir.

Mr. DWYER. If you think that you should, you ought to expand for the record exactly how you intend to meet the sequestration.

Mr. POMPA. Okay, thank you.

CUBAN-HAITIAN PROGRAMS

Mr. DWYER. You are requesting a program increase of $1,537,000 for fiscal year 1987 for the Cuban-Haitian Entrant Program. This program was reduced $3.3 million below the request for fiscal year 1986. How did you absorb that reduction?

Mr. POMPA. We spread it out between the four different functions that program accommodates, sir. That included the outplacements out of the Atlanta correctional institution and the secondary settlements out of Florida, and some of the placements that we have out of local detention centers that we are periodically asked by the Immigration and Naturalization Service to handle. We were able to spread the reductions out over the course of the last year. Approximately, I think it was over a million of the sequestration that went to PHS. They had to absorb of that too at that point.

Mr. DWYER. Have the amount of Haitians and Cuban entrants been decreasing?

Mr. POMPA. No, sir. They have been increasing as a matter of fact. The number of people we have to handle under that program has been increasing rather than decreasing. On any given month the Immigration and Naturalization Service is receiving from 80 to 100 new entrants that are subject to revocation——

Mr. DWYER. Illegal entrants?

Mr. POMPA. No. They are former parolees that have been placed out in the community that have gotten in trouble and are in state and local jails, that have finished serving their time in local insti-

tutions and are now being returned to INS custody. Those people now are subject to being outplaced under the program.

Mr. DWYER. Do you have this out in the New Jersey prisons?

Mr. POMPA. In New Jersey prison, we probably do. We seem to have them all over the country.

Mr. DWYER. Did you have any come out of the New Jersey prisons, through your program and out into society? Is that what you do?

Mr. POMPA. That is what we do. Some of these placements are done out of state and local jails directly as referred to us by INS. But I cannot tell you specifically how many we have coming of New Jersey. I would assume that we do have some.

Mr. DWYER. Well I have something from the state of New Jersey that indicates they have a reduction of two people.

Mr. POMPA. You mean two people——

Mr. DWYER. Out of the state penitentiaries.

Mr. POMPA. They were probably referred back to INS custody, either to be sent back to Atlanta or some other Federal detention facility. I do not know these two specifically came to us. Local detainees must first be cleared by the Immigration Service and referred to us before they come under our outplacement program.

Mr. DWYER. I am wondering where they come from. Because they apparently are not leaving the state penitentiaries. Apparently they are coming from Federal penitentiaries and from Federal detention centers. That is really what I am trying to find out. I do not want to be redundant. But the census of the Mariel Cubans that are incarcerated in state penitentiaries throughout the country are static.

Mr. POMPA. You show two——

Mr. DWYER. There was a reduction of two in New Jersey.

Mr. POMPA. So you are wondering where they might have gone?

Mr. DWYER. I am wondering if you have a program to take these people out of the state penitentiaries and rehabilitate them to go back into society and then to Cuba.

Mr. POMPA. That is what we try to do. We handle the outplacement activity. But they first have to be cleared for release by the Immigration Service.

Mr. DWYER. I understand what you do. And you are apparently doing it. And I am wondering where you are getting your product from.

Mr. POMPA. The product is coming mostly from the Atlanta correctional institution, and more recently from state and local prisons where these people are completing local terms.

But your original question was whether their population was increasing or decreasing. And it is increasing I am sorry to say.

Mr. DWYER. It is increasing?

Mr. POMPA. It has been increasing.

Mr. DWYER. If it is increasing, is it increasing from illegal immigrants?

Mr. POMPA. No, sir. From people being released from state and local custody and into Federal custody and now are subject to outplacement.

Mr. DWYER. That is why I am perplexed. Because I have a letter from the state of New Jersey dated March the 3rd that indicates

that in the last year they have had a net reduction of two. And I have the numbers here from Florida, California, New York, and Texas, which are really the big states as far as prison census is concerned. And you understand why it is a concern to these states?

Mr. POMPA. Sure.

Mr. DWYER. It costs the states approximately $20,000 a year to keep these people incarcerated. And the Federal Government is spending right now about $275 a month, per inmate.

Mr. POMPA. Chances are they probably will wind up going back to Florida. That is one of the problems we have been having, and that is why we have the secondary settlement program in effect.

Mr. DWYER. I am wondering if we can send you all of our 176.

Mr. POMPA. I am sorry?

Mr. DWYER. If we can send you our 176 from New Jersey?

Mr. POMPA. Did you send them?

Mr. DWYER. I am wondering if we can?

Mr. POMPA. If they are referred to us by INS, I am sure we can take them.

Mr. DWYER. Do you think you might be able to ask INS to request them?

Mr. POMPA. I will certainly talk to Commissioner Nelson about it.

Mr. DWYER. Actually the Attorney General said the other day that talks with Cuba have so broken down, there are no Marielitos going back to Cuba at the present time.

Mr. POMPA. That is correct, sir.

[The following information was submitted:]

CUBANS IN STATE AND LOCAL JAILS

In 1986, CRS will move 240 Cubans from the Atlanta Federal Penitentiary into halfway houses. This will make room for a like number to be moved from state and local jails to Atlanta.

CRS requires the $1,500,000 increase which it requested for 1987 in order to continue that annual rate of placement (240) in 1987. We were able to attain that rate in 1986 only because of a nine-month funding strategy which will not be possible in 1987.

In 1986, CRS will also place in special halfway houses 127 Cuban entrants "graduated" from mental health care by the Public Health Service at St. Elizabeths' Hospital.

This will permit the PHS to remove a similar number from Atlanta, again making room for Cubans from state facilities. This level of movement will continue in 1987.

In addition, CFR in 1986 was able to utilize appropriate funds available from the previous year to set up a one-year-only halfway house program for 80 Cuban entrants taken directly from state facilities. There will be no funds available to continue this special one-year project in 1987.

The attached article from the New York Times of March 10 provides additional information on this matter.

NUMBER OF CUBANS DETAINED IS RISING

(BY WILLIAM E. SCHMIDT)

ATLANTA, March 8.—The increasing number of Cubans imprisoned indefinitely by United States immigration officials to await deportation is exacting a growing toll on the Government and on the prisoners.

At the Federal penitentiary in Atlanta where 1,860 of these Cubans are held, overcrowding and violence are so severe that a Congressman who oversees Federal prisons said that the Cubans were being kept "like animals in cages."

CUBA REFUSES TO ACCEPT THEM

Because the Federal Bureau of Prisons has not more room for Cubans in the Atlanta prison, the Immigration and Naturalization Service has had to scramble to find space for another 700 in other jails and prisons, and officials say the cost is rising steadily.

The imprisoned Cubans were among more than 125,000 who arrived in Florida in 1980 from the Cuban fishing port of Mariel. A group of dangerous criminals and mentally incompetent people were ruled ineligible for immigration and detained when they arrived, and others have since been convicted of violating American laws. They are being held pending deportation, but Cuba refuses to take them back.

The situation facing immigration officials has worsened since last May, when Fidel Castro, the Cuban leader, abruptly canceled a five-month-old agreement to take back more than 2,200 of the men. Mr. Castro said he was protesting the Reagan Administration's decision to begin beaming into Cuba propaganda broadcasts from a new Government radio service, Radio Marti.

At that time only 201 men had been returned to Havana under the agreement which also sought to normalize immigation from Cuba to the United States.

Most of the other Mariel émigrés have adjusted peaceably to American society, but those who have been arrested across the country for crimes or violations of immigration laws are being added at the rate of 90 a month to swollen Federal detention rolls.

Since they rioted 16 months ago in the Atlanta penitentiary, which has been turned over almost entirely to the detention of Cubans, most of the Cubans there have been locked for 23 hours a day in cells that hold up to eight inmates each.

Representative Robert W. Kastenmeier, who toured the maximun security prison last month, said in an interview that the "intolerable" conditions were putting severe stress on inmates and staff.

"There are tensions that don't exist in any other Federal prison," said Mr. Kastenmeier, the Wisconsin Democrat who is chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice. "To maintain people in conditions like these is beneath us as a society."

VIOLENCE IN ALABAMA PRISON

According to reports furnished to Mr. Kastenmeier, there have been nine homicides, seven suicides, 400 serious but unsuccessful suicide attempts and more than 2,000 serious incidents of self-multilation since 1981 among Cubans detained in the prison.

Prison officials say the nature of the imprisoned men, rather than the conditions of their imprisonment, is responsible for the violence.

Although Mr. Castro has denied it, United States officials say the Cuban leader emptied jails and mental hospitals of inmates and added them to the exodus from Mariel.

About 5,000 of the Marielitos are in Federal, state or local jails, convicted of criminal offenses or immigration law violations that make them subject to expulsion as "excludable aliens." This includes 300 to 400 who were deemed excludable when they arrived and have been held for six years.

A LEGAL LIMBO

The refusal of the Cuban Government to accept these people has left them in a legal limbo, since immigration authorities cannot send them back to Cuba and, with few exceptions, the Government is not willing to release them because it says they represent a threat to American society.

The increasing number of Marielitos in Federal custody has put a financial strain on the Government. The Bureau of Prisons says it costs more than $25 million a year to keep the 1,860 Cubans in the Atlanta penitentiary, and an average of $55 a day each for Cubans held in other jails. Some Congressional sources believe the cost in the Atlanta prison alone may be more than $40 million.

Since last May, 700 Mariel Cubans have been added to Federal rolls for deportation and have had to be put in other Federal detention facilities and local jails.

Hugh Brien, the immigration agency's assistant commissioner for detention and deportation, said the number of new detainees will climb to 1,200 by this fall, costing taxpayers an additional $7.5 million for the year. "It causes problems for us, because we have limited detention space in our own facilities," he said.

There are about 2,500 Mareiel Cubans now being held across the country on state and local charges. When such men finish serving their sentences in state and local

jails for criminal convictions or other acts that violate the strict terms of their admission to the country, they are being taken into indefinite Federal custody.

To help relieve the pressure on the system, Mr. Brien said that about 225 of the Cubans in custody have been screened by agency officials and released to halfway houses over the last six months. At most, he said the Government would send 400 to 500 Cubans to halfway houses this year, and fewer next year.

CUBANS' FATE HOTLY DEBATED

Over the last five years the issue of the Cubans' freedom has been hotly debated in the Federal courts.

Federal District Judge Marvin H. Shoob or Atlanta has ruled on several occasions that because President Carter "invited" the Cubans, most have some constitutional rights and should be entitled to indivdidual hearings.

But Federal appellate courts have generally reversed him, ruling that the detainees have no constitutional rights and upholding the Government's broad authority to detain them indefinetely pending expulsion.

As a three-judge panel of the United States Court of Appeals for the 11th Circuit was hearing arguments here last year, Robert S. Vance, the presiding judge, told a lawyer for the Cubans that "the Government can keep them in the Atlanta pen until they die."

JURORS "ASHAMED" OF POLICY

But last month the jurors in a criminal case against two of the Cubans accused of inciting riots in the prison in November 1984 acquitted the men, and after the trial issued sharp public statements saying that they were embarrassed by the Government's policy toward many of the Cubans in the prison.

One juror, Mel Magidson, an insurance salesman from suburban Atlanta, said the jurors "were somewhat ashamed of our Government and the ways things are going for these people."

Prison officials say that although the Cubans in Atlanta make up barely 5 percent of the total number of inmates in the Federal prison population nationwide, they account for more than half the reported inmate-to-inmate assaults, and at least one-third of all the assaults by inmates on guards.

"This is a pretty violent bunch of people," said Duke Austin, a spokesman for the immigration service. "That's why we'd rather keep them there."

The decision by prison authorities to keep more than 1,000 of the inmates confined to their cells to preserve discipline is one of several issues being challenged in another suit in Federal court, said Gary Leshaw, a lawyer here who has argued that the prison is overcrowded and badly staffed.

ARGUMENTS FOR RELEASE

Except for the 300 to 400 who were taken into custody as undesirable aliens when they arrived in Florida in 1980, the 1,860 Cubans in the Atlanta penitentiary are men who ran afoul of the law after arrival and have had their paroles revoked for what Judge Shoob has described as "offenses ranging from relatively minor infractions to serious crimes."

Attorneys working in behalf of the Cubans argue that while some of those in the Atlanta prison are dangerous criminals who ought not to go free, others pose no serious threat and some have families in the United States.

"What is most unfair is that men who have served their time for state offenses are now sitting in the Atlanta penitentiary with no hope of release except a return to Cuba," said Dale Schwartz, an Altanta lawyer. Mr. Schwartz has also argued that detainees returned to Cuba could face persecution and torture.

Julius Debro, a professor at Atlanta University who helped run a halfway house for Cubans that was recently closed by the Government, said he believed that at least a quarter of the inmates in the Atlanta prison could be let out under supervision.

He said those who remain in custody tend to be able to speak little or no English and have an eighth-grade education or less. They are typically in their 20's, he said, and dark skinned.

Representative Kastenmeier said he would urge the Reagan Administration to shut down Radio Marti and reopen negotiations with Mr. Castro for the return to Cuba of as many of the undesirable aliens as possible.

A State Department official says the Castro Government has refused serveral entreaties to reinstate the immigration accord.

CONFLICT SETTLEMENT

Mr. DWYER. You mention about the technical assistance that you have given to local police departments in avoiding racial confrontations. I wonder if you would give us some idea of just what situations you have defused. And you might want to, I think, provide an extensive report in that regard for the record.

Mr. POMPA. We will do that, sir.

Mr. DWYER. Will you give us some idea of that right now.

Mr. POMPA. Yes, sir. The most highly volatile activity that we deal with on any given year, sir, is still the continuing problems regarding minorities and police, police-minority friction as we characterize it. And in that regard we spend an awful lot of time assisting local police departments in minimizing the likelihood of these types of conflicts occurring by promoting better understanding between the police and promoting better understanding by minority groups regarding the police mission.

In that regard we have a technical assistance program with an administration of justice specialist who we provide to local police departments to provide them assistance on how to better and more effectively respond to incidents in minority communities.

[The following information was submitted:]

CITIES RECEIVING ASSISTANCE

Attached is a listing, by locality, of those jurisdictions in which the Community Relations Service has worked with police departments to defuse racial/ethnic tensions.

This assistance was provided to 338 police jurisdictions over the past three fiscal years. Some examples of the assistance provided follow.

The city of *Portland, Oregon* faced a controversy regarding police use of force that was manifested by several incidents. In one incident, police killed two blacks, one of whom was a client of a mental health center. In another, an apparently distraught black woman reportedly first walked down her neigborhood street armed with a shotgun and then pointed the weapon from her apartment window. She surrendered the weapon to a relative and police took no further action. In a third incident, a black security guard died as a result of a police choke hold. An inquest jury ruled the death a homicide; a grand jury voted to exonerate the officers involved. While city officials welcomed the grand jury decision, it was sharply criticized by blacks. Two police officers were fired by the mayor for further inflaming the situation by producing and selling "Don't choke 'Em, Smoke 'Em" T-shirts to other officers.

CRS met and worked with city officials and black leaders on a variety of matters to defuse the tense situation. CRS worked with a multi-ethnic committee set up under the auspices of the police bureau to examine the use-of-force question and recommend possible changes to city officials. CRS also worked with a citizen's training advisory committee and has provided information from ten other cities for comparative purposes.

In *Davenport, Iowa,* black leaders came to CRS for assistance following several police-citizen encounters and after an independently arranged meeting with the mayor produced no results. We arranged a second meeting with the mayor and other city officials which resulted in positive movement including a decision to review the human relations content of police academy training, and a commitment to hold regular meetings between city officials and black community leaders. This has reduced tensions significantly.

Rock Island, Illinois, citizens and police were assisted by CRS in addressing their differences over alleged police abuse. We arranged a community forum which provided the opportunity for a very constructive exchange of views on use-of-force issues.

The police department requested CRS assistance in establishing a human relations training course and participated with CRS in a discussion of police/community relations issues before a statewide meeting of the League of United Latin American Citizens.

In *Hillside, New Jersey,* the police chief asked CRS to conduct cultural awareness training for his department's officers, Additionally, the chief asked for CRS assistance in developing a minority recruitment plan. There were two black officers on the 64-member force serving a city in which roughly 51 percent of the population is black.

In *Framingham, Massachusetts,* the police department requested CRS assistance in addressing training needs in the context of changing, multi-cultural community and complaints alleging policy misconduct against minorities. A key concern expressed to us concerned the department's civil rights policy as related to due process, officer accountability, and complaint procedures. In response, we designed a training package that combined instructions on municipal liability considerations and police-community relations.

MUNICIPAL LIABILITY

Mr. POMPA. One of the things that we try to get local police departments to understand is how the municipal liability problem can work against them in some of these incidents. There has been, as you might be aware, a rising concern over the municipal liability question and the removal of immunity from civil suits for local jurisdictions. This has resulted in tremendous stress on police departments in how they carry out the police mission. By promoting better understanding and technical assistance on how to minimize the likelihood of these conflicts resulting in civil suits, we feel that some of these police departments can better face the municipal liability question.

Outside of that, we provide a series of training courses for police departments on how to deal with specific immigrant groups, such as Vietnamese, Mexicans, Cubans, and other refugee and immigrant groups that they frequently come in conflict with because of a lack of understanding of the different cultural traits and language usage that might otherwise lead to problems.

Mr. DWYER. The first training programs that you alluded to, can you give us some idea of what police departments you had this program in?

Mr. POMPA. Municipal liability?

TRAINING OF POLICE DEPARTMENTS IN USE OF FORCE

Mr. DWYER. That was only part of it. Apparently, if I gather what you are saying, you educate the police department on how to use proper force and so on?

Mr. POMPA. Yes, sir.

Mr. DWYER. Which would help avoid confrontation?

Mr. POMPA. We have developed a series of municipal liability films that, accompanied by members of our staff in the presentation of these films to police departments as part of their training, either during recruit training or, you know, at periodic intervals.

One of the training sessions that we conducted was in Paterson, New Jersey. You were interested in the New Jersey area. But we have done a number of them. I can provide them for the record.

We started with this process about three years ago and have had a tremendous amount of success with it. Requests for this service by many police departments throughout the country continue to come in.

Mr. DWYER. Would you provide for the record a list of the police departments?

Mr. POMPA. I will do that sir.

Mr. DWYER. Let me ask you the next question. Any of these police departments, is this their second go round or third go round in this training?

Mr. POMPA. I do not really know.

Mr. DWYER. Would you provide that for the record, if you have gone back to the same police departments a number of times?

Mr. POMPA. Yes, sir.

[The following information was submitted:]

Police Department's Receiving Training

Those jurisdictions in which the Community Relations Service (CRS) has provided training to law enforcement agencies during the past three fiscal years are marked with asterisk on the attached list. Each asterisk indicates a year in which CRS training was provided.

During the three-year period, CRS training was provided in 136 jurisdictions. In 13 of these jurisdictions, CRS provided either similar training to a different cohort or follow-up training in a subsequent year; in 5 of the jurisdictions, training was provided in a third year.

LISTING OF JURISDICTIONS IN WHICH THE COMMUNITY RELATIONS SERVICE HAS WORKED WITH POLICE DEPARTMENTS TO DEFUSE TENSION

STATE	LOCATION
AK	ANCHORAGE
	KETCHIKAN
AL	CHILDERSBURG*
	EUFAULA*
	MONTGOMERY*
	TALLADEGA CO.
	TUSKEGEE
AR	HOT SPRINGS
	LITTLE ROCK
	WRIGHTSVILLE
AZ	PHOENIX
CA	BAKERSFIELD
	CONCORD
	DAVIS*
	HANFORD
	HOOPA
	HOOPA VALLEY
	LOS ANGELES**
	MANTECA
	MARIN CITY*
	MARIN CO.*
	MARIN CTY
	OAKLAND
	ORANGE COUNTY*
	ORANGE CTY
	PITTSBURG
	RICHMOND
	RIVERSIDE COUNTY
	SACRAMENTO*
	SAN DIEGO
	SAN DIEGO (SAN YSIDRO)
	SAN FRANCISCO
	SAN FRANCISCO BAY
	SAN LUIS OBISPO*
	SAN MATEO
	SAN RAFAEL
	SANTA ANA
	SANTA BARBARA
	SANTA CRUZ
	STANTON
	STATEWIDE***
	TORRES MARTINEZ RESERV, RIVERSIDE CITY
	VISTA
	WHITTIER
CO	ALAMOSA*
	AURORA
	CENTER
	COLORADO SPRINGS*
	DENVER**
	GRAND JUNCTION*
	GREELEY
	LAKEWOOD*
	LONGMONT
	LYONS
	STATEWIDE***
	TRINIDAD
	WALSENBURG
CT	ANSONIA**
	BERLIN
	BRIDGEPORT***
	EASTERN
	EASTERN CT***
	EASTERN REGION*
	HARTFORD*
	MERIDEN
	NEW BRITAIN*
	NEW HAVEN*
	NEW LONDON
	SOUTH CENTRAL CT.*
	STAMFORD*
	TOLLAND*
DC	WASHINGTON
DE	WILMINGTON
FL	BROWARD CO.*
	DADE CO.
	EUSTIS*
	HALLANDALE*
	JACKSONVILLE
	MARGATE
	MIAMI*
	ORLANDO*
	PALM BEACH COUNTY
	POMPANO BEACH*
	STATEWIDE
	TALLAHASSEE*
	TAMPA
GA	ATLANTA
	BAKER CO.

GA	CAMDEN CO.
	CHEROKEE CO.
	COFFEE CO.
	COLLEGE PARK
	COLUMBUS
	DEKALB CO.*
	DOOLY COUNTY
	FORT VALLEY
	HALL CO.*
	HAWKINSVILLE
	MARIETTA
	MERIWETHER CO.
	RIVERDALE*
	ROBERTA
IA	CEDAR RAPIDS*
	CEDAR FALLS
	DES MOINES**
	MASON CITY*
	OTTUMWA*
ID	BLACKFOOT*
	BOISE
	LEWISTON*
IL	BELLVILLE
	BELLWOOD*
	BLOOMINGTON*
	CARBONDALE
	CHICAGO***
	COUNTRY CLUB HILLS
	DESPLAINES*
	EVANSTON*
	GALESBURG
	ROCK ISLAND
	SOUTH SUBURBS
	WASHINGTON PARK
	WAUKEGAN
IN	BLOOMINGTON*
	DECATUR
	FORT WAYNE
	FT. WAYNE
	INDIANAPOLIS*
	SOUTH BEND
KS	KANSAS CITY*
	TOPEKA
	WICHITA**
KY	JEFFERSON CO.*
	LOUISVILLE*
	OWNESBORO*
LA	BATON ROUGE*
	HAMMOND*
	LAKE CHARLES
	NATCHITOCHES*
	NEW ORLEANS*
	WINFIELD
MA	ARLINGTON
	BELMONT*
	BOSTON
	BROCKTON
	BROOKLINE*
	CAMBRIDGE*
	CAPE COD
	FALL RIVER*
	FITCHBURG
	FRAMINGHAM
	HAMPSHIRE COUNTY
	HAVERHILL
	HOLYOKE
	HUNTINGTON
	HYANNIS**
	LAWRENCE*
	MALDEN*
	MEDFORD
	NEW BEDFORD*
	NEWTON*
	SAUGUS
	SPRINGFIELD
	STATEWIDE
	STONEHAM*
	WAYLAND
	WORCESTER
MD	ANNAPOLIS*
	ANNE ARUNDEL COUNTY
	BALTIMORE CO.
	ROCKVILLE
ME	AROOSTOOK COUNTY
	BANGOR*
	PORTLAND*
	STATEWIDE
MI	AMASA
	DETROIT*
	FLINT
	GRAND RAPIDS
	LANSING
	ROMULUS
MN	MINNEAPOLIS
	ST. PAUL

MO	BOWLING GREEN*
	COLUMBIA
	KANSAS CITY*
	POPLAR BLUFF
	ST. LOUIS
MS	GULF COAST
	ITTA BENA
	JONES CO.
NC	WASHINGTON
ND	BELCOURT*
	FORT YATES*
NE	ALLIANCE
	OMAHA
NH	CONCORD
NJ	ATLANTIC CITY
	BRIGANTINED
	CALDWELL
	ELIZABETH
	HILLSIDE
	JERSEY CITY*
	LAKEWOOD
	MAPLEWOOD
	MONTCLAIR
	MOORESTOWN
	NEWARK
	PATERSON*
	PAULSBORO
	PENNS GROVE
	PERTH AMBOY
	RAHWAY
	TRENTON
	UNION CITY
NM	BELEN
	HOBBS*
	ROSWELL*
	SANDOVAL COUNTY*
	SANTA FE**
	TRUTH OR CONSEQUENCES*
	VALENCIA COUNTY*
NV	LAS VEGAS
NY	ALBANY
	BEACON
	BRONX
	BROOKLYN
	ELMIRA*
NY	ELMONT*
	HEMPSTEAD
	HUDSON
	HUNTINGTON STATION
	JAMAICA
	MT. VERNON
	NEW ROCHELLE*
	NEW YORK*
	QUEENS
	ROCHESTER*
	STATEN ISLAND
	YONKERS
OH	CANTON
	CINCINNATI*
	CLEVELAND**
	DAYTON*
	SPRINGFIELD
OK	KONAWA
	LAWTON*
	MIDWEST CITY*
	MUSKOGEE
	TULSA*
	WAGONER*
OR	OREGON CITY
	PORTLAND**
	WOODBURN
PA	CHESTER*
	CHESTER TOWNSHIP
	DARBY TOWNSHIP*
	DELAWARE COUNTY*
	EASTERN
	EASTON*
	FAYETTE COUNTY
	HARRISBURG*
	PHILADELPHIA
	PITTSBURGH*
	STATEWIDE
	UPLAND
	UPPER DARBY*
	WESTERN PA**
RI	COVENTRY*
	EAST GREENWICH*
	EAST PROVIDENCE
	NORTH KINGSTOWN
	PAWTUCKET
	PROVIDENCE**
	STATEWIDE*
	WARWICK
	WOONSOCKET

SD	MCLAUGHLIN*
	RAPID CITY
TN	CHATTANOOGA
	COLUMBIA
	FRANKLIN
	MEMPHIS*
	NASHVILLE
TX	ARANSAS PASS*
	ARLINGTON**
	AUSTIN
	BAYTOWN
	BEAUMONT
	BIG SPRING**
	BIG SPRINGS
	BROWNSVILLE
	BROWNWOOD
	CONVERSE*
	CORPUS CHRISTI*
	DALLAS*
	EDINBURG
	EDNA
	EL PASO
	FORT WORTH
	GALVESTON*
	GRAND PRAIRIE
	HARLINGEN*
	HASKELL
	HIDALGO COUNTY
	HONDO
	HOUSTON
	KINGSVILLE
	LA PORTE*
	LIVE OAK*
	LUBBOCK*
	MEXIA
	MISSION*
	NEW BRAUNFELS
	ODESSA
	PLAINVIEW*
	PORT ARTHUR
	ROBSTOWN
	SAGINAW*
	SAN ANGELO
	SWEETWATER*
	TARRANT COUNTY*
	VICTORIA
UT	OGDEN
	SALT LAKE CITY*
VA	FAIRFAX COUNTY
VT	BRATTLEBORO*
	SOUTH BURLINGTON*
	WHITE RIVER JUNCTION
WA	AURORA VILLAGE
	EVERETT*
	FOX ISLAND
	PASCO
	SEATTLE*
	SHORELINE
	STATEWIDE
	TACOMA*
	TOLEDO
WI	MILWAUKEE*
	RACINE
WV	FAIRMONT*

*The number of asterisks represents the number of years between FY 83 through FY 85 in which CRS provided training to the law enforcement jurisdiction.

RADICAL ORGANIZATIONS

Mr. DWYER. In your statement you mention the Ku Klux Klan and the Aryan Nation, Posse Comitatus, and the Rajneeshees. Who are the Rajneeshees?

Mr. POMPA. This is the group in Oregon that we read so much about recently.

Mr. DWYER. The head of that had nine Rolls Royces or something?

Mr. POMPA. That is the one.

Mr. DWYER. That will get you to heaven in a hurry.

How about the Ku Klux Klan, are we spending some money to protect ourselves against those people?

Mr. POMPA. Well, the incidents that we usually have to respond to involving the Klan have to do mostly with cross burnings and demonstrations. These bring us into those situations in such a way that we try to get public officials like the mayor, the police chief and other members of the hierarchy of a particular community where these incidents occur to react in a strong way against that. This is encouraged so that it does not leave the impression that these types of incidents are condoned. Many of these areas of the country have asked us for technical assistance in how to enact the type of legislation that might curb this type of activity, either through state level legislation or through local ordinances.

HAITIAN EXCHANGE

Mr. DWYER. How about the Haitian problem now that there has been apparently a favorable change in the Government in Haiti? Do you expect your problems to decrease commensurately with that change?

Mr. POMPA. I think once we get a clear picture of what is going to happen with the new government, it will definitely have an impact and implications for the Haitian part of our Cuban-Haitian program.

Mr. DWYER. A lot of those people fled here for good reason; they feared for their lives. Is there any reverse trend in view? Are they going back to Haiti?

Mr. POMPA. We anticipate that a significant number of them will request right away to go back as soon as they get a clear indication of what is going to be happening in Haiti. And I am also sure that we are probably going to have some that are not going to want to go back.

It has been brought to my attention in meetings with Immigration Service officials in Miami that the deportation process will continue at the same pace as it has in the past unless the people want to go back voluntarily. But as far as the hearings and the process that has been in place for them to be deported after proper hearings, that pace will continue at the same level it has been in the past.

Mr. DWYER. Okay, thank you. We will have some additional questions for the record and you will supply us with the answers.

Mr. POMPA. Thank you, Mr. Chairman.

Mr. DWYER. Thank you.

[The questions and the answers follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Community Relations Service

Education Program

QUESTION:

Page 12 of the justification indicates that community conflict related to racial inequities in education is prevalent throughout the nation. You also state that with minority school populations growing steadily in all areas of the country, conflict over these issues will present a growing demand for intervention of the Service in 1987. How much of an increase do you expect in this area, and how are you going to handle it since you are not requesting any additional positions?

ANSWER:

While Education remains the smallest of three CRS programs, there appears to be a resurgence of such problems. New alerts increased by almost 31 percent and new cases increased by 37.8 percent in 1985. We expect this increased level to be maintained for FY 1986-87.

CRS has begun its case management process for FY 1987 based on conflict demand factors monitored by our technical assistance and regional offices. In order to handle this and other programmatic increases, CRS will have to prioritize case response around a real potential for destabilizing turmoil, or demonstrable impact on national policy.

Effect of Immigration Reform Legislation

QUESTION:

As you know, legislation is pending before the Congress which would make substantial changes in our immigration policy. I am referring particularly to provisions for legalization of undocumented aliens and guest workers. If such legislation is enacted, what impact would this have on your workload, and how are you going to handle that workload with no increase in your budget?

ANSWER:

In recent years CRS has been called upon to help resolve a growing number of conflicts relating to immigration and refugee resettlement. Large and widespread population movements into and within the United States generate frequent and bitter conflict among minority groups and working class whites. Resettlement and acculturation efforts of Southeast Asian refugees and movement of Hispanic-American population groups to communities of non-traditional settlement have created resistance born of fear and of competition for housing, employment and social benefits. This resistance is expressed in interracial violence, gang confrontations and public protest.

As an example, in El Paso, Texas, the U.S. Commission on Civil Rights and the local newspaper reported that the Hispanic community was con-

fused regarding the role of the El Paso Police Department in enforcing immigration laws. Reportedly, some members of the Hispanic community were concerned that the civil rights of Hispanics were being violated. The allegation was that Hispanics were being randomly stopped and harassed by both immigration and city police.

Immigration and Naturalization Service officials in Seattle, Washington, have requested our assistance in establishing an ethnic community advisory committee for the district of Washington. They are trying to address what is perceived as a lack of positive communication and information-sharing with the State's ethnic communities. In San Jose, California, our early intervention in a dispute between District INS officials and community leaders over the interpretation of a policy for conducting raids for illegals helped to reduce tensions and initiated a series of information-sharing meetings.

In Tyler, Texas, union leaders believed that undocumented workers were taking construction jobs that would otherwise go to union members. Hispanic leaders, on the other hand, believed that the unions's actions were prompting both hiring discrimination and acts of violence against all Hispanics. CRS convened meetings of leaders on both sides in which they agreed to disagree on some points, but committed themselves to ongoing consultation to look for grounds on which they could cooperate. We are currently focusing our efforts on creation of a conflict resolution mechanism, which both parties agree is important. The dispute now appears settled, with a number of positive outcomes. One of these is that labor officials apologized to Hispanic leaders for any hardship caused by their activities, and also made a commitment for prior consultation to avoid such difficulties in the future.

While the number of such incidents causal to illegal migration from Mexico and Central America is comparatively small, in the months ahead there is every expectation that incidents of immigration and refugeerelated conflict will be increasing. The estimated flow of illegal aliens from Mexico, Central America and other parts of the world will continue to feed majority and low income minority populations' fears. Prospective reintroduction and likely passage of an immigration bill could be expected, in the short term, to engender short-to-mid-range difficulties in many communities across the country. CRS will participate in Federal contingency planning to help states to anticipate and cope with possible disruptions.

CRS does anticipate this will impact on the caseload in a gradually increasing way beginning about FY 1987. While it will be difficult, to handle this emerging case response in light of the agency's ongoing activities, CRS has already begun to prepare its case management process for FY 1987. A part of this will be to reprioritize case response mindful of the new areas of potential social conflict. No matter what order of priorities is established, however, if the immigration reform legislation is passed CRS will request additional resources to meet this emerging demand. The average number of professional staff hours per case closed increased by 7.3 percent from FY 1984 to 1985 and the number of cases requiring more than 100 hours of staff time increased 43.4%. This is largely attributable to the growing complexity of the cases and CRS will request additional resources to handle these cases competently.

Workload Impact from Illegal Immigration

QUESTION:

What has been the impact on the workload of the Service in Los Angeles as a result of the increasing flow of illegal aliens from Mexico and El Salvador?

ANSWER:

In FY 1984-85, the CRS region IX Office in San Francisco alerted 23 incidents involving tensions or conflicts pertaining to illegals in the Southern California area. Seven were in the Los Angeles area. The issues dealt with such things as protests against INS sweeps, the detention of children, demonstrations by Hispanic groups against proposed immigration legislation, and involvement of local police in the enforcement of immigration arrest and detention policies.

The quantitative impact has been manageable thus far, but increasing friction in this area of crisis activity will require reprioritizing case response based on a mix of violence potential-national policy impact factors. Because the agency does not maintain an office in the Los Angeles area, the regional travel budget will have to be monitored very carefully to support case response.

CRS anticipates that status adjustment enactment will increase the perception of citizen minority groups that affected illegal aliens will exacerbate economic competition for jobs and housing. This will increase the potential for violent conflict.

Increased border patrol enforcement activities will also stimulate increasing opposition by some groups. Recently, opposition has centered around the dramatic issue of confinement of minors.

Reception, Processing, and Care of Cubans and Haitians

Increase for Cuban-Haitian Entrant Program

QUESTION:

You are requesting a program increase of $1,537,000 for FY 1987 for the Cuban-Haitian entrant program. This program was reduced $3.3 million below the request for FY 1986. How did you absorb this?

ANSWER:

During FY 1986, the Cuban-Haitian Entrant Program absorbed the $3.3 million reduction in its Congressional appropriation through: (1) renegotiation of resettlement grants to achieve cost savings; (2) prorating of all pending grants for the remainder of the fiscal year, rather than provision of standard one-year grant awards; (3) halving of the number or resettlement projects for Cuban entrants released from state and local detention facilities, despite the exigent need of the INS for the additional placement capacity; (4) reduction in the number of Cuban and Haitian families served by the Planned Secondary Resettlement Program; (5) application of carryover re-

sources to fund specified resettlement projects; and (6) proportional reduction in the funds transferred to the Public Health Service for mental health care for Cuban entrants.

Justification for Cuban-Haitian Entrant Program

QUESTION:

Page 19 of the justification indicates that your workload in the Cuban-Haitian entrant program is not expected to increase in 1987 compared with 1986. If that is the case, why are you requesting this increase?

ANSWER:

The program increase of $1.5 million is needed to permit CRS to maintain its current resettlement capacity. That capacity is only available this year because grants were pro-rated for the remainder of this fiscal year and do not reflect full-year funding requirements.

Outplacement Activities for Cuban Entrants

QUESTION:

Please describe your outplacement activities for Cuban entrants, and what impact this activity has on Federal, state and local prisons which house Cuban entrants.

ANSWER:

During FY 1986, CRS will fund seven outplacement projects for Cuban entrants in the Atlanta Federal Penitentiary who are reparoled by the INS. These Special Placement Projects are administered by voluntary and non-profit agencies and are located in Detroit, Kansas City, Los Angeles, Chicago, St. Louis, Seattle, and Columbus. The programs provide for a six-month residential stay at the project and a one-year period of follow-up services. The residential program includes English as a Second Language (ESL) training, job development and placement, individual and group counseling, life skills training, and acculturation. Follow-up services include information and referral regarding jobs and schooling, financial and other assistance required for placement in the community, individual and group counseling, case management, and ESL training.

During FY 1986, CRS will fund two additional outplacement projects from carryover resources for Cuban entrants in state and local detention facilities who are reparoled by the INS. These projects are located in Detroit and Los Angeles and will serve approximately 80 entrants. The program design is similar to that of the Special Placement Projects.

The CRS outplacement program permits the orderly and safe release into the community of Cuban entrants from the Atlanta Federal Penitentiary who have been determined not to pose a threat to the public. The release of these entrants frees up space in the Atlanta Federal Penitentiary, enabling the INS to accept Cuban entrants into Federal custody from state and local prisons and to use its limited detention space for those entrants who pose a threat to public safety.

THURSDAY, MARCH 6, 1986.

FOREIGN CLAIMS SETTLEMENT COMMISSION

WITNESSES

BOHDAN A. FUTEY, CHAIRMAN

DAVID H. ROGERS, GENERAL COUNSEL

ROBERT N. FORD, DEPUTY ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. DWYER [presiding]. The next item that we shall consider this morning is the fiscal year 1987 budget request for the Foreign Claims Settlement Commission. The request is for $596,000. This amount represents a reduction of $74,000 from the appropriation for fiscal year 1986 adjusted for sequestration of the Public Law 99-177.

We shall insert the justifications in support of this request in the record at this point.

[The justification materials follow:]

DEPARTMENT OF JUSTICE

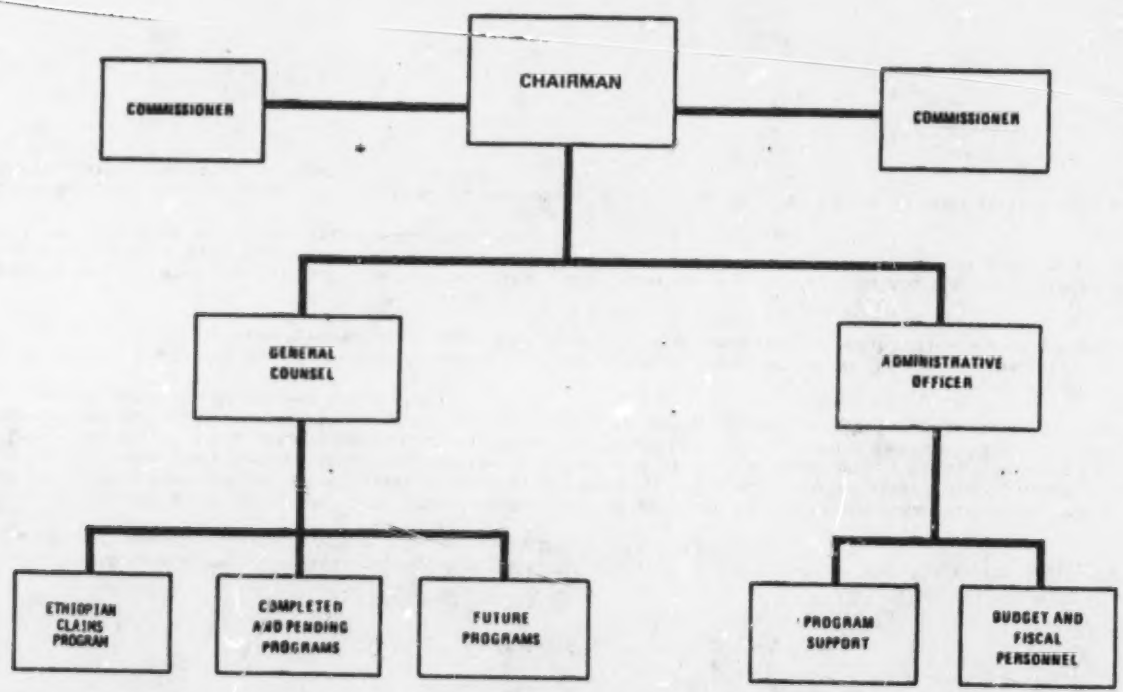
Foreign Claims Settlement Commission

Budget Estimates, Fiscal Year 1987

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	3
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	4
Crosswalk of 1986 Changes	5
Summary of Requirements	6
Justification of Program and Performance	7
Financial Analysis - Program Changes	9
Detail of Permanent Positions by Category	10
Justification of Adjustments to Base	11
Summary of Requirements by Grade and Object Class	13

FOREIGN CLAIMS SETTLEMENT COMMISSION



Approved Bohdan A. Futey Date 1/17/86

Bohdan A. Futey, Chairman

Foreign Claims Settlement Commission

Salaries and expenses

Summary Statement

Fiscal Year 1987

The Foreign Claims Settlement Commission is requesting a total of $596,000, 9 permanent positions and 9 workyears for 1987. This request represents a net decrease of $104,000 from the 1986 appropriation of $700,000.

The principal mission of the Commission is to settle the claims of American citizens arising out of the nationalization, expropriation or other takings of their properties and interests by certain foreign governments. The Commission has compiled and evaluated such claims against 13 countries under the International Claims Settlement Act of 1949, involving Yugoslavia, Panama, Poland, Bulgaria, Hungary, Rumania, Italy, the Soviet Union, Czechoslovakia, Cuba, China, the German Democratic Republic, and the Socialist Republic of Vietnam. The Commission and its predecessor agency, the War Claims Commission, have also undertaken and completed numerous programs arising out of World War II under the War Claims Act of 1948.

The Foreign Claims Settlement Commission functions with one budjet activity covering the adjudication of international claims as well as the salaries and other costs of the three Presidentially appointed members of the Commission, a legal office and an administrative support operation.

The Commission consists of a Chairman and two part-time Commissioners, all of whom are appointed by the President with the advice and consent of the Senate. The part-time Commissioners receive compensation at the Executive Level V rate of pay for performance of official business of the Commission at the direction of the Chairman.

The decrease in the Commission's appropriation results from the completion of a program under Title VII of the International Claims Settlement Act of 1949 against the Socialist Republic of Vietnam.

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Foreign Claims Settlement Commission

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109; allowances and benefits similar to those allowed under the Foreign Service Act of 1980 as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters of personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; advances of funds abroad; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; [$700,000] . $596,000

(94 Stat. 96-98; 22 U.S.C. 1621-1645; 50 U.S.C. App. 2001-2017; Department of Justice and Related Agencies Appropriation Act, 1986.)

Explanation of changes:

No substantive changes proposed.

Foreign Claims Settlement Commission

Salaries and expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered				
										4.3%	Reprogrammings			Rev.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Pos.	WY	Amt.	Amt.
1. Adjudication of International Claims.....	16	16	$879	...	...	-$179	16	16	$700	-$30	...	...	...	$670
Total.....	16	16	$879	...	...	-179	16	16	700	-30	...	...	...	670

Foreign Claims Settlement Commission

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Supplemental Requested			1986 Appropriation		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Adjudication of International Claims.....	16	16	$879	...	...	-$179	...	...	...	...	...	...	16	16	$700
Total.....	16	16	879	...	...	-179	...	...	...	...	...	...	16	16	700

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress reduced the amount requested by $179,000.

Foreign Claims Settlement Commission

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	16	16	$700
Uncontrollable increases	...	...	118
Decreases			-1
1987 base	16	16	817

Estimates by budget activity/program	1985 enacted			1985 Actual			1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Adjudication of International claims	18	19	$929	18	12	$636	16	16	$700	16	16	$817	9	9	$596	-7	-7	-$221

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Adjudication of International Claims	16	16	$700	16	16	$817	9	9	$596	-7	-7	-$221

Long-Range Goal: To make effective determinations of all unsettled claims of American nationals against foreign governments within the framework of Congressional modifications to the International Claims Settlement Act of 1949 and other pertinent statutes and to provide assistance to former and prospective claimants on past international and war claims related programs.

Major Objectives:

- To accomplish determination of claims in the Ethiopian Claims Program.
- To provide assistance to the Department of State in the presentation of United States claims before the United States-Iran Claims Tribunal at The Hague.
- To provide general information concerning past programs and to respond to requests about specific decisions the Commission has made on past claims.
- To advise other agencies and the Congress concerning potential future programs and to comment on pending legislation.
- To assist the Department of State in ongoing negotiations for the settlement of claims against foreign governments and the German Democratic Republic, the Socialist Republic of Vietnam and Cuba.
- To assist the Department of the Treasury in making distributions on past awards.
- To provide executive departments and private attorneys with legal precedents issued by the Commission.
- To conduct pre-program planning of pending new programs.
- To respond to requests for policy determinations on matters relating to the settlement of international claims.

Base Program Description:

Under the International Claims Settlement Act of 1949, the Commission is authorized to determine the claims of nationals of the United States against the Provisional Military Government of Socialist Ethiopia for losses resulting from expropriations, nationalization or other taking of property during and after the 1974 takeover.

Also, during 1987, the Commission will provide continuing service to former and prospective claimants on a total of 34 completed international and war claims related programs. This staff will also be providing advice on policy determinations, preliminary planning, evaluation of pending claims legislation and liaison with congressional committees considering legislation intended to provide compensation to new categories of claimants.

The Commission will serve in an advisory capacity to other government agencies in matters of policy on claims of United States citizens against foreign governments. The planned staff for the budget year will provide advisory services to potential claimants and their attorneys concerning actual or possible claims agreements or legislation authorizing future programs. During 1987, the Commission will provide technical assistance to the Department of State in its efforts to negotiate claims settlement agreements with foreign governments. Under the provisions of Section 620(e) of the Foreign Assistance Act of 1961, the Foreign Claims Settlement Commission is authorized to evaluate expropriated property upon the instructions of the President.

Under the War Claims Act of 1948, as amended, the Commission authorizes payments to American military prisoners of war captured by hostile forces in Southeast Asia during the Vietnam conflict. The Commission to date has granted awards to 735 prisoners of war or their survivors in the amount of $5,345,045; $229,337 to 41 civilian internees; and $68,675 to members of the crew of the USS Pueblo for a total of $5,643,057.

The status of a small number of MIA's with prisoner of war classification remains to be determined by the Department of Defense. Upon receipt of these final determinations, this program will be completed.

Accomplishments:

The Commission continued a program under Title VII of the International Claims Settlement Act of 1949, reviewing and investigating the 534 claims of nationals of the United States asserting losses of property in Vietnam as a result of nationalization, expropriation or other taking by the Socialist Republic of Vietnam.

Pursuant to its authority under the War Claims Act, the Commission continued to make determinations of claims of survivors of prisoners of war in the Vietnam conflict.

Program Changes:

The decrease of seven positions and $221,000 results from the completion of a program under Title VII of the International Claims Settlement Act of 1949 against the Socialist Republic of Vietnam.

BIOGRAPHICAL SKETCH OF BOHDAN FUTEY

Mr. DWYER. We welcome to the Committee today the Chairman of the Foreign Claims Settlement Commission, Mr. Bohdan Futey. Since this is your first appearance before the committee, we will insert your biography in the record at this point. And then you may proceed and make your statement at your own pace.

[The information follows:]

BIOGRAPHICAL DATA, BOHDAN A. FUTEY

Before being appointed as Chairman of the Foreign Claims Settlement Commission, Mr. Futey resided in Parma, Ohio and was a partner in the law firm of Bazarko, Futey & Oryshkewych.

Prior to that, he was executive assistant to the mayor of the city of Cleveland in 1974–1975, chief assistant police prosecutor of the city of Cleveland in 1972–1974, partner in the law firm of Futey & Rakowsky in 1968–1972 and special counsel to the attorney general of Ohio in 1970.

Mr. Futey served as the Executive Director of the American Nationalities Movement of Ohio, and is fluent in a number of languages, including Spanish, Ukrainian and Russian. He is the President of the Ukrainian American Bar Association, a member of bar associations in Ohio and the District of Columbia.

Born in 1939, he was graduated from Western Reserve University (B.A., 1962; M.A., 1964) and Cleveland Marshall Law School (J.D., 1968). He is married and has three children.

GENERAL STATEMENT

Mr. FUTEY. Thank you very much, Mr. Chairman.

I am pleased to have the opportunity to appear before you in support of the 1987 budget request for $596,000, nine permanent positions, and nine workyears. This is a decrease of $104,000 from the 1986 appropriation of $700,000 and provides a decrease in the number of permanent positions from 16 to 9. The amount of $596,000 requested includes an amount of $104,000 for severance benefits, accrued annual leave, and unemployment compensation occasioned by the reduction in force which will be required to reduce the Commission personnel to 9 permanent positions.

To accommodate a reduced workload, the Commission is undertaking a number of steps to decrease its operating expenses. The Commission is abolishing the position of General Counsel and reducing its legal staff to two attorneys under the direct supervision of the Chairman. The Commission is releasing approximately 42 percent of its space. The amount requested for GSA rent is based upon the actual cost per square foot during fiscal years 1985 and 1986. The Commission's requests for travel, communications, printing, other services, supplies, and equipment have been reduced by approximately 45 percent from the actual appropriated levels for fiscal year 1986.

ETHIOPIAN CLAIMS PROGRAM

During fiscal year 1987, the Commission will be involved in the adjudication of claims against Ethiopia along with its residual activities both in support of ongoing claims and negotiations arising from previous programs.

As far as the claims against Ethiopia, on December 19, 1985, the United States entered into a lump-sum settlement agreement with the provisional military government of Socialist Ethiopia. Pursuant

Salaries and expenses, Foreign Claims Settlement Commission

Financial Analysis - Program Changes
(Dollars in thousands)

Item			Total	
	Pos.	Amount	Pos.	Amount
Grades				
ES-4	-1	-$69	-1	-$69
GS-13	-1	-38	-1	-38
GS-12	-2	-66	-2	-66
GS-7	-1	-18	-1	-18
GS-5	+1	14	+1	14
GS-4	-1	-12	-1	-12
GS-2	-2	-20	-2	-20
Total positions and annual rate	-7	-209	-7	-209
Lapses		81		81
Permanent workyears and comp	-7	-128	-7	-128
Other than full-time perm		9		9
Total workyears and personnel comp	-7	-119	-7	-119
Personnel benefits		-18		-18
Benefits to former personnel		104		104
Travel		-10		-10
SLUC		-145		-145
Communication, utilities and rent		-10		-10
Printing		-12		-12
Other Services		-9		-9
Equipment		-2		-2
Total, workyears and obligations, 1987	-7	-221	-7	-221

Foreign Claims Settlement Commission

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987	
			Program Decreases	Total
Attorneys (905)	6	5	-3	2
General Administrative Clerical and Office Services (300-399)	10	8	-4	4
Commissioners	2	3	...	3
Total	18	16	-7	9
Washington	18	16	-7	9
Total	18	16	-7	9

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Uncontrollable increases:			
1. Within-grade increases	...	...	$5
This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $4,000 and Benefits $1,000 = $5,000).			
2. Health benefits costs	...	...	1
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. The requested increase of $1,000 provides funds for increased costs from pay period No. 2 ($403) to pay period No. 3 ($436) projected for 26 pay periods.			
3. GSA Rent	...	...	110
Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $110,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.			
4. GPO printing costs	...	...	1
The Government Printing Office (GPO) is currently projecting a six percent increase over the 1986 printing cost of $9,000. An additional $1,000 will be required in 1987.			

	Perm. Pos.	Work-years	Amount
5. Departmental printing and reproduction costs	...	...	1
The Department is currently projecting a five percent increase over the 1986 printing cost of $10,000. An additional $1,000 will be required in 1987.			
Total uncontrollable increases	...	...	118
Decreases (automatic non-policy):			
1. Federal Telecommunications System (FTS)	...	...	-1
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $1,000 will be subtracted from the 1986 base of $8,813.			
Total decreases	...	...	-1
Total, adjustments to base	...	...	117

Foreign Claims Settlement Commission

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level V, $68,700	3		3		...	
ES-4, $68,700	1		...		-1	
GS/GM-14, $44,430-57,759	1		1		...	
GS/GM-13, $37,599-48,876	2		1		-1	
GS-12, $31,619-41,105	2		...		-2	
GS-11, $26,381-34,292	1		1		...	
GS-9, $21,804-28,347	2		2		...	
GS-7, $17,824-23,170	1		...		-1	
GS-5, $14,390-18,710	...		1		+1	
GS-4, $12,862-16,723	1		...		-1	
GS-3, $11,458-14,896	2		...		-2	
Total, appropriated positions	16	$513	9	$304	-7	-$209
Pay above stated annual rates	...	2	...	1	...	-1
Lapses	-1	-70	-1	17	...	87
Net full-time permanent	15	445	8	322	-7	-123
Other than permanent:						
Part-time employment	1	16	1	25	...	9
Total, workyears and personnel compensation	16	461	9	347	-7	-114
Average ES Salary		$68,700		...		
Average GS/GM Salary		27,658		30,197		
Average GS/GM Grade		9.2		10.2		

Foreign Claims Settlement Commission

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	15	$445	8	$322	-7	-$123
11.3 Other than permanent	1	16	1	25	...	9
Total	16	461	9	347	-7	-114
Other objects:						
12 Personnel benefits		55		38		-17
13 Benefits to former personnel		...		104		104
21 Travel and transportation of persons		15		5		-10
23.1 Standard level user charges		90		55		-35
23.3 Communications, utilities, and miscellaneous charges		31		20		-11
24 Printing and reproduction		20		10		-10
25 Other services		19		10		-9
26 Supplies and materials		6		6		...
31 Equipment		3		1		-2
Total obligations		700		596		-104
Relation of obligations to outlays:						
Obligated balance, start-of-year		108		93		
Obligated balance, end-of-year		-93		-78		
Outlays		715		611		

to the agreement, the government of Ethiopia will pay a total of $7 million over a period of six years in settlement of all claims by United States nationals for the expropriation of property by the Ethiopian government.

Under Title I of the International Claims Settlement Act of 1949, the Commission has authority to determine the validity and amount of such claims, these determinations will form the basis for the distributions of the settlement amount.

Pursuant to the terms of the statute, the Commission is in the process of publishing notice in the Federal Register to establish a six-month period for filing claims with the Commission. The Commission proposes to complete all adjudication of these claims, including consideration of all objections which may be filed by the end of fiscal year 1987.

The Commission at this time is unable to predict the total number of claims which may be filed in the program. Information pertaining to 38 potential claims was previously submitted to the Department of State. This material has been transferred to the Foreign Claims Settlement Commission, and the Commission intends to accept these as having been filed with the Commission. Of those claims of which the Commission already has knowledge, a number involve large, complicated corporate claims.

Under the provisions of Title I of the International Claims Settlement Act of 1949, five percent of the total amount of the settlement will be deposited as miscellaneous receipts with the United States Treasury to reimburse the Government for the cost of adjudicating the claims and disbursing the proceeds. Therefore, the work of the Commission during fiscal year 1987 will result in the collection of $350,000 by the United States Government.

CLAIM AGAINST EAST GERMANY

Also during fiscal year 1987, the Commission will continue providing technical data to the Department of State to assist in its negotiations to reach a claims settlement with the German Democratic Republic [GDR], or as normally called, East Germany, if a claims settlement has not been reached by then.

In the event that a lump-sum settlement agreement has been reached with the GDR, the Commission will proceed under Title I of the International Claims Settlement Act of 1949 to conduct a limited program to allow the determination of claims by U.S. nationals against the GDR which may have arisen since October 18, 1976, the date Public Law 94-542 allowed the original determination of such claims.

Similar technical support and assistance will be required at such times as negotiations are commenced to seek a claims settlement with the Socialist Republic of Vietnam to provide funds to be distributed on awards made by the Commission under Public Law 96-606. Adjudications in this program, determining claims against Vietnam, were completed by the Commission on February 25, 1986.

In addition, the Commission each year receives thousands of inquiries from members of the public, attorneys, Congressional offices, and other executive departments concerning past and poten-

tial claim programs, drawing upon the knowledge and expertise of the Commission and its staff.

IRANIAN CLAIMS

Pursuant to Public Law 99-33, passed in August of last year, the Commission has been directed to adjudicate some 2,600 claims of U.S. nationals against Iran contingent upon the entering of a settlement agreement between the United States and Iran. Such an agreement has not yet been achieved. And therefore it is impossible at this time to project the time period when these claims will be adjudicated.

Even without a settlement agreement, the Commission will continue to be in constant contact with the Department of State in providing information and legal precedents to assist in the presentation of the claims which are presently before the United States-Iran claims tribunal at the Hague.

POW BENEFITS

Under the authority granted by Public Law 91-289 the Commission continues from time to time to receive and act on applications for prisoner of war benefits based upon internment during the Vietnam conflict. The Commission also receives numerous requests for verification of previous POW status to assist veterans in obtaining benefits based upon such status.

COMMISSION'S AWARD

At this time, I would like to call to the Committee's attention the fact that the Commission is unique in that its operating expenses are only partially, if at all, ultimately borne by United States taxpayers. In most instances the authorizing statutes have provided for the payment of the Commission's awards from funds obtained, either from the liquidation of foreign assets blocked in the United States or from funds obtained from foreign governments by negotiation of a claims settlement agreement.

The statutes have provided for the deduction of a certain percentage of such claims for funds deposited as miscellaneous receipts in the United States Treasury to defray the administrative expenses of the Commission and the Department of Treasury in carrying out the programs. The total obligations of the Commission and its predecessors from the beginning of fiscal year 1950 through the end of fiscal year 1985 have amounted to approximately $25 million, whereas $32 million has been recouped.

Thank you, Mr. Chairman.

SETTLEMENT AGREEMENT WITH IRAN AND ETHIOPIA

Mr. DWYER. Thank you, Mr. Futey. You have mentioned you have 2,600 claims already in anticipation of some sort of an agreement with Iran.

Mr. FUTEY. Yes.

Mr. DWYER. A couple of questions. Do you anticipate an agreement with Iran at this point?

Mr. FUTEY. It is really very difficult for us to determine. The Department of State is conducting the negotiations, therefore we have no knowledge of that. We do know that the State Department would like us to start handling small claims under $250,000. Because of the cost factor in this case, we will be able to deduct a certain percentage to pay for the costs.

Mr. DWYER. I asked the question because I thought that there was very close communication between your Commission and the State Department.

Mr. FUTEY. There is. As a matter of fact, my understanding is that they are trying at the present time to take certain cases to establish a precedent at the Hague before the United States. Iran tribunal, in order to work out a settlement agreement, and for us to start looking and reviewing the claims if that is possible. If they are able to set up a precedent and the Iranians will agree to that, that will facilitate the matters.

Mr. DWYER. This is not directly germane to your area but I think we still have some of their assets in this country.

Mr. FUTEY. I believe there are some blocked assets.

Mr. DWYER. With the reduction in work force, how would you anticipate handling these claims if there is a settlement? Would you be coming in for a supplemental appropriation?

Mr. FUTEY. Well, it all depends on the pace we will be conducting the program. With the present staff, I guess we can conduct the program for many, many years. However, we do not anticipate this to be settled immediately and if it does happen, it will probably be closer to fiscal year 1988. At that time we may have to revise the budget for 1988 to request an increase. However, there is also the possibility, since we are in close cooperation with the Department of State, of borrowing some of the personnel who are presently is undertaking a review of these claims.

Mr. DWYER. The Ethiopian settlement was $7 million. And of course, that generates $350,000 to the Federal Treasury, so it is a pretty good sum against what your total appropriation is. That settlement is $7 million. Just an inquiry on my part, what was the original demand? Do you have any idea?

Mr. FUTEY. I really do not know. I understand that the amount was much higher, and the Ethiopians were offering a much lower amount, and finally that amount was determined. Originally they were agreeing to pay a higher amount I guess, but it was to be paid in Ethiopian currency, to which the United States would not have agreed.

GSA RENT

Mr. DWYER. I do not blame them.

You talk about you relinquishing 42 percent of your space, and yet you are asking for an increase of $110,000 for payment to GSA for rental space. I think we know the answer, but we would like to have your answer for the record.

Mr. FUTEY. Well, our figures reflect the actual charges that have been paid for fiscal year 1985, 1986. Our projection for 1987 is based on those and estimated for figures. As you will see for 1985, our actual cost was $84,000 for the GSA rent. And then for 1986,

the estimated cost is $88,872. So based on that and the reduction of space to almost 3,600 square feet, we estimate that the actual cost would be about $55,000 for 1987. The difference between the $55,000 and whats in our base for GSA rent is shown as a program decrease.

Mr. DWYER. Thank you, Mr. Futey, thank you for being here today. We will have a few more questions which we shall submit to you and you can supply the answers.

Mr. FUTEY. Thank you.

[The questions and the answers submitted thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Foreign Claims Settlement Commission

QUESTION:

In your statement you state that you are taking a number of steps to decrease your operating expenses to accommodate a reduced workload. Can you be more specific about this reduction in your workload?

ANSWER:

During FY 1986, the Commission's workload consisted of two major projects in addition to the usual activities of providing information and general expertise in the law of international claims. During the first half of the fiscal year, the Commission completed its program of adjudicating some 534 claims against Vietnam. Extensive oral hearings were held and voluminous documents analyzed in the determination of objections filed by various claimants. With the completion of that program, the staff of the Commission undertook the a major project to index and annotate the Commission's precedents and significant determinations in the German Democratic Republic, the Czech II, and Vietnam programs for the future reference of the Department of State, as well as government and private attorneys. Both of these projects will be completed before the end of FY 1986.

Therefore, the only definite prospect for a claims program during FY 1987 is that involving claims against Ethiopia which we project will provide substantially less workload and can be accomplished with the staff requested.

QUESTION:

In your statement you refer to a lump-sum claims settlement agreement that the United States entered into in December 1985 with the Government of Ethiopia. You also state that the Commission in unable to predict the total number of claims which may be filed in this program, but that of those claims which the Commission already has knowledge, a number involve large complicated corporate claims. Therefore, does it make sense to propose a reduction in your permanent positions from 16 to 9, abolish the position of General Counsel, and reduce your legal staff to two attorneys?

ANSWER:

Although it is correct that the Commission cannot know the total number of claims which will be filed until the end of the filing period on September 30, 1986, we believe we are presently in a position to make a reasonable estimate as to the resources which will be required to carry out the program. The Department of State previously published a notice that individuals and corporations with claims against Ethiopia should submit the details to the Department of State. As a result of this notice, 38 responses were received. While the Department of State did not do extensive publicity, we believe that the notice was sufficient to alert the American commercial community which had been operating in Ethiopia. Responses were received from the banking, insurance, and manufacturing sectors

which we believe will provide the bulk of the complicated claims. Although we have been informally contacted by attorneys who indicate that additional claims will be filed, we do not believe these will be major, complex claims. Based upon our general knowledge of the American interests in Ethiopia, we do not believe that the total number of claims submitted will exceed 100.

As to the claims already filed with the Department of State, these files have been transferred to the Commission and the process of analyzing the evidence and initiating requests for additional evidence where the record is not complete, can be commenced this summer with the present staff of the Commission. We believe a substantial part of the staff workload on the Ethiopian claims can be accomplished with the present staff during FY 1986. We, therefore, project that these complicated matters can be ready for submission to the Commissioners before the end of this calendar year and that the projected staff will be sufficient to develop the additional claims filed during the filing period as well as handling those objections which may be filed to the Commission's Proposed Decisions.

QUESTION:

In your statement you refer to the fact that most of the authorizing statutes for claims programs have provided for a deduction of a certain percentage of such claims for deposit in the Treasury to defray the administrative expenses of these programs. Please provide for the record the amount of such deposits for FY 1985, and what the estimates are for FY 1986 and 1987.

ANSWER:

We are informed by the Department of the Treasury that, in fact, no money was deposited during FY 1985.

On January 22, 1986, the amount of $2,425,000 was transferred to the general receipts of the Treasury for payments received from the People's Republic of China. ($1,500,000 had previously been deposited from prior payments on the China settlement).

During FY 1987, it is anticipated that $230,000 will be deposited in the Treasury, $100,000 from the final payment on the China settlement and $130,000 from initial payments on the Ethiopian settlement. (An additional $220,000 will be deposited during the three subsequent fiscal years from the Ethiopian settlement for work which will already have been completed by the Commission).

THURSDAY, MARCH 6, 1986.

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

ALAN C. NELSON, COMMISSIONER

THOMAS C. FERGUSON, DEPUTY COMMISSIONER

DORIS M. MEISSNER, EXECUTIVE ASSOCIATE COMMISSIONER

MALCOLM E. ARNOLD, COMPTROLLER

DONALD R. MUELLER, ACTING DIRECTOR, PROGRAM PLANNING AND BUDGET STAFF

JOHN MURRAY, ASSOCIATE COMMISSIONER FOR INFORMATION SYSTEMS

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL, FOR ADMINISTRATION

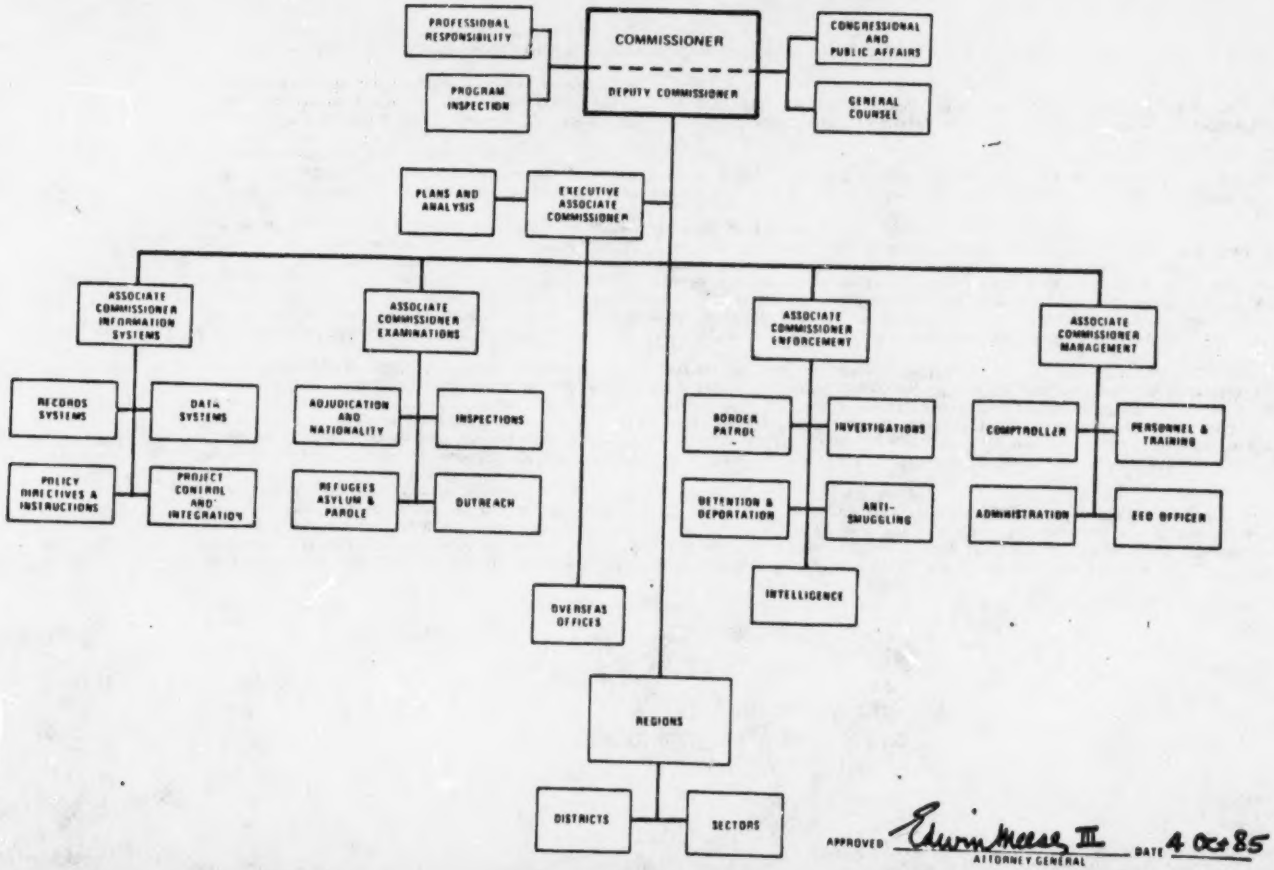
Mr. EARLY [presiding]. The Immigration and Naturalization Service budget request is for $609,393,000. This amount represents an increase of $41,123,000 above the amount appropriated for fiscal year 1986, after the sequestration mandated by Gramm-Rudman-Hollings. We shall insert the justification material at this point in the record.

[Justifications follow:]

Department of Justice
Immigration and Naturalization Service
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	6
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	7
Crosswalk of 1986 Changes	8
Summary of Requirements	10
Summary of Resources by Program	11
Justification of Program and Performance	12
Status of Construction and Summary of New Facilities Requirements	64
Financial Analysis - Program Changes	65
Status of Congressionally Requested Studies, Reports, and Evaluations	66
Priority Rankings	67
Detail of Permanent Positions by Category	68
Summary of Adjustments to Base	69
Justification of Adjustments to Base	70
Summary of Requirements by Grade and Object Class	75

IMMIGRATION AND NATURALIZATION SERVICE



APPROVED Edwin Meese III
ATTORNEY GENERAL
DATE 4 Oct 85

Immigration and Naturalization Service

Summary Statement

Salaries and expenses

Fiscal Year 1987

The Immigration and Naturalization Service (INS) is requesting $609,393,000, 11,694 permanent positions and 11,761 FTE workyears. This is an increase of $15,593,000 over the appropriation enacted by the Congress for 1986. INS is not requesting a change in permanent positions although the request does include a net downward adjustment of six FTE workyears resulting from a combination of a decrease in workyears associated with savings from management initiatives, partly offset by an increase in workyears to annualize the positions added by the Congress in 1986.

The 1987 budget request is essentially a current services budget. Consistent with the Administration's policies, we anticipate savings as a result of the implementation of management initiatives, i.e., contracting out vehicle maintenance in the Border Patrol. The one program increase INS is requesting is $1,000,000 for the Systematic Alien Verification for Entitlements (SAVE) Program. The $1,000,000 is needed to expand SAVE to twenty more States, thus providing State agencies with access to INS' alien database to determine eligibility for entitlement programs. The SAVE Program has the potential to produce savings in public benefits program costs far beyond the cost of implementation.

The mission of the Immigration and Naturalization Service is to administer laws relating to admitting, excluding, detaining, deporting, and naturalizing aliens. The Service inspects persons to determine their admissibility to the United States; prevents illegal entry into the United States; investigates, apprehends, and removes aliens in this country in violation of the law; and adjudicates requests of aliens for benefits under the law. This budget request reflects our continuing commitment to use existing resources as efficiently as possible through management improvements, and confining increases to areas where needs are most critical. We have targeted our base resources toward the accomplishment of a number of high priority goals. These include the following activities:

- Reduce and deter illegal alien entries at high volume ports-of-entry and increase apprehension of criminal aliens and drug smugglers, emphasizing techniques developed by the Fraud Intercept Task Force, and continuing to operate the mobile Fraud Intercept Task Force in 1987.

- Reduce and deter illegal entries by increasing the risk of apprehension, and by reducing both employment opportunities and access to entitlement program benefits through expanded State and local participation in the SAVE Program, for which a $1,000,000 program increase is requested.

- Continue to provide Special Assistant U.S. Attorneys to prosecute criminal violators of immigration laws and defend the Government in litigation brought to impede Service operations.

- Negotiate with foreign governments to expand pre-clearance activities overseas to four more countries.
- Work with other governments to encourage interception of potential illegal aliens on their way to the United States and prosecution by other countries of alien smugglers and border-related criminals.
- Improve quality control in adjudications processing while maintaining currency.
- Mail more adjudications applications directly to Regional Adjudication Centers (RACs), thereby reducing processing time in District offices.
- Intensify joint Investigations/Adjudications efforts to detect fraudulent applications.
- Pursue profiling schemes in a variety of program areas to improve the speed, quality and consistency of decision making and enhance fraud detection.
- Redesign INS forms to ensure legibility and simplicity.
- Streamline the removal process to reduce administrative delay and discourage the use of administrative procedures for the sole purpose of delaying departure from the United States.
- Reduce employment opportunities for illegal aliens by securing the cooperation of employers and personnel hiring agencies in verifying the status of alien applicants with INS.

The Immigration and Naturalization Service contains four budget activities, which incorporate seventeen programs. The major initiatives and resource requests for these activities and programs are summarized below.

Enforcement

This budget activity contains the resources dedicated to both preventing illegal entry to the United States and facilitating the entry of qualified persons. This includes inspection of applicants for admission, patrol of the border, and the apprehension of undocumented aliens who are in the United States subsequent to illegal entry or violation of status after legal entry.

Inspections inspects each person seeking admission to the United States to determine admissibility. No increases are requested beyond the level appropriated in 1986.

Border Patrol prevents illegal entry, and detects and apprehends aliens smuggled into the United States. In addition to operational responsibilities in the immediate border area, the Border Patrol has enforcement responsibilities in the vicinity surrounding the border. No increases are requested.

Investigations detects and prosecutes criminal violations of the immigration laws and general criminal laws, and conducts inquiries to support administrative decisions on applications for benefits and orders for removal. No increases are requested.

Anti-Smuggling curtails the growth of the undocumented alien population by locating and apprehending alien smugglers, particularly organized alien smuggling operators. No increases are requested.

Detention and Deportation detains deportable aliens whose freedom represents a danger to public safety or whose lack of funds or permanent address indicates that they are likely to abscond, and expeditiously processes and removes aliens from the United States. No increases are requested.

Citizenship and Benefits

The resources necessary to provide the benefits of the Immigration and Nationality Act are provided in this activity. Included are the adjudication of applications and petitions submitted for benefits, and the processing of naturalization and citizenship petitions and applications.

Adjudications and Naturalization adjudicates applications and petitions for benefits provided by the Immigration and Nationality Act and processes aliens eligible for citizenship. No increases are requested.

Refugees and Overseas renders decisions on refugee applications. No increases are requested.

Immigration Support

This activity includes the resources for construction, communications, records management, automated data processing, personnel training, research and development, field management, legal proceedings and the alien documentation program (ADIT). In addition, it provides a capability to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

Training provides the systematic development of all key occupational skills necessary for the effective enforcement and administration of INS programs, including all basic officer training at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. No increases are requested.

Data and Communications System improves INS' effectiveness and efficiency through the use of computers and associated data communications to process information and also provides electronic and communications support to INS' operating elements. An increase is needed to expand the number of States participating in the Systematic Alien Verification for Entitlements (SAVE) Program.

Information & Records Management provides timely and accurate information to the public, INS, and other enforcement agencies concerning INS plans and activities. No increases are requested.

Intelligence provides predictive, tactical and strategic intelligence to INS' policy officials and line managers. No increases are requested.

Research and Development examines the technical problems which tend to impede accomplishment of INS' mission and attempts to develop technological means for their solution. No increases are requested.

Construction and Engineering maintains and improves INS' physical plant by designing and constructing new facilities and implementing energy conservation programs. No increases are requested.

Field Management & Support provides day-to-day management direction to field units that implement major policy and management decisions made by INS' Central Office management. No increases are requested.

Legal Proceedings represents the Federal Government in all cases, matters and administrative hearings in which INS is involved, and provides legal advice and support to INS' operating personnel and managers. No increases are requested.

Program Direction

This activity provides resources for the overall administration and management of the Service.

Executive Direction and Control establishes and maintains policy and program direction for INS. No increases are requested.

Administrative Services provides administrative support to INS operations. No increases are requested.

Immigration and Naturalization Service

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use (not to exceed four hundred ninety, all of which shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; [$593,800,000], of which not to exceed $400,000 for research shall remain available until expended: Provided, That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $23,000 except in such instances when the Commissioner makes a determination that this restriction is impossible to implement: [Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provided further, That no funds appropriated in this Act may be used to implement Immigration and Naturalization Service reorganization proposals which would have the purpose of or would result in the closing of the Northern Regional Office of the Immigration and Naturalization Service at Fort Snelling, Minnesota]. $609,393,000

Explanation of Changes:

The first change deletes language lifting the ceiling on the amount that can be paid for uniforms. The Department's legislative proposal will propose specific uniform allowances for specific categories of employment.

The second change deletes language that currently prohibits the closing of the Northern Regional Office at Fort Snelling, Minnesota. The Department believes that appropriation language limiting options for management improvements should not remain in appropriation bills.

Immigration and Naturalization Service

Salaries and expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings (1)			1986 Appropriation As Enacted			Funds Sequestered 4.3%	
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Rev. Amt.
1. Enforcement														
a. Inspection	1,531	1,873	$74,769	50	25	$810	-1	-1	-$89	1,580	1,897	$75,490	-3,246	$72,244
b. Border patrol	3,706	3,651	165,010	...	...	-897	-12	-12	-520	3,694	3,639	163,593	-7,034	156,559
c. Investigations	1,021	789	43,814	...	...	-247	-1	...	-51	1,020	789	43,516	-1,871	41,645
d. Anti-smuggling	331	310	15,430	...	...	-80	-8	-8	-266	323	302	15,084	-649	14,435
e. Detention and Deportation	1,151	1,188	79,103	29	22	3,048	...	...	-80	1,180	1,210	82,071	-3,529	78,542
Subtotal	7,740	7,811	378,126	79	47	2,634	-22	-21	-1,006	7,797	7,837	379,754	-16,329	363,425
2. Citizenship and Benefits														
a. Adjudications and naturalization	1,240	1,219	46,474	...	...	-301	-1	-1	-56	1,239	1,218	46,117	-1,983	44,134
b. Refugees and overseas	66	117	6,634	...	...	-16	1	1	-5	67	118	6,613	-284	6,329
Subtotal	1,306	1,336	53,108	...	...	-317	...	...	-61	1,306	1,336	52,730	-2,267	50,463
3. Immigration Support														
a. Training	59	59	6,598	...	...	-14	12	12	192	71	71	6,776	-291	6,485
b. Data and communications systems	191	183	49,967	...	...	-46	-1	-1	-8	190	182	49,913	-2,147	47,766
c. Information and records management	1,161	1,210	37,566	...	...	-282	...	...	-56	1,161	1,210	37,228	-1,601	35,627
d. Intelligence	30	26	1,544	...	...	-7	9	8	270	39	34	1,807	-78	1,729
e. Research and development	2	2	535	...	...	...	...	...	...	2	2	535	-23	512
f. Construction and engineering	17	19	6,093	...	...	-4	...	...	...	17	19	6,089	-262	5,827
g. Field management and support	301	283	14,077	...	...	-73	4	4	-16	305	287	13,988	-601	13,387
h. Legal proceedings	222	203	11,161	16	12	507	...	...	-13	238	215	11,655	-501	11,154
Subtotal	1,983	1,985	127,541	16	12	81	24	23	369	2,023	2,020	127,991	-5,504	122,487
4. Program Direction														
a. Executive direction and control	169	168	8,502	...	...	-41	1	1	-7	170	169	8,454	-364	8,090
b. Administrative services	401	408	24,263	...	...	-97	-3	-3	705	398	405	24,871	-1,069	23,802
Subtotal	570	576	32,765	...	...	-138	-2	-2	698	568	574	33,325	-1,433	31,892
Total	11,599	11,708	591,540	95	59	2,260	...	...	...	11,694	11,767	593,800	-25,533	568,267

(1) Reprogrammings show in 1986 reflect the results of the 1985 reprogramming request submitted to Congress on September 15, 1985.

Immigration and Naturalization Service

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation As Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Enforcement												
a. Inspection	1,531	1,873	$74,769	50	25	$810	-1	-1	-$89	1,580	1,897	$75,490
b. Border patrol	3,706	3,651	165,010	...	...	-897	-12	-12	-520	3,694	3,639	163,593
c. Investigations	1,021	789	43,814	...	...	-247	-1	...	-51	1,020	789	43,516
d. Anti-smuggling	331	310	15,430	...	...	-80	-8	-8	-266	323	302	15,084
e. Detention and Deportation	1,151	1,188	79,103	29	22	3,048	...	...	-80	1,180	1,210	82,071
Subtotal	7,740	7,811	378,126	79	47	2,634	-22	-21	-1,006	7,797	7,837	379,754
2. Citizenship and Benefits												
a. Adjudications and naturalization	1,240	1,219	46,474	...	...	-301	-1	-1	-56	1,239	1,218	46,117
b. Refugees and overseas	66	117	6,634	...	...	-16	1	1	-5	67	118	6,613
Subtotal	1,306	1,336	53,108	...	...	-317	...	...	-61	1,306	1,336	52,730
3. Immigration Support												
a. Training	59	59	6,598	...	...	-14	12	12	192	71	71	6,776
b. Data and communicatio s systems	191	183	49,967	...	...	-46	-1	-1	-8	190	182	49,913
c. Information and records management	1,161	1,210	37,566	...	...	-282	...	...	-56	1,161	1,210	37,228
d. Intelligence	30	26	1,544	...	...	-7	9	8	270	39	34	1,807
e. Research and development	2	2	535	...	...	...	...	...	...	2	2	535
f. Construction and engineering	17	19	6,093	...	...	-4	...	...	...	17	19	6,089
g. Field management and support	301	283	14,077	...	...	-73	4	4	-16	305	287	13,988
h. Legal proceedings	222	203	11,161	16	12	507	...	...	-13	238	215	11,655
Subtotal	1,983	1,985	127,541	16	12	81	24	23	369	2,023	2,020	127,991
4. Program Direction												
a. Executive direction and control	169	168	8,502	...	...	-41	1	1	-7	170	169	8,454
b. Administrative services	401	408	24,263	...	...	-97	-3	-3	705	398	405	24,871
Subtotal	570	576	32,765	...	...	-138	-2	-2	698	568	574	33,325
Total	11,599	11,708	591,540	95	59	2,260	...	...	...	11,694	11,767	593,800

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress added 50 inspector positions and $1,200,000 to improve the staffing at those locations experiencing the greatest need. The Congress also added 45 positions and $3,885,000 to operate the Oakdale Alien Detention Center. Twenty-nine of the positions and $3,326,000 are for Detention and Deportation and 16 positions and $559,000 for Legal Proceedings functions at Oakdale. The Congress provided $11,225,000 of the $14,030,000 requested to restore the five percent pay cut. A final reduction of $20,000 reflects Congressional rounding.

Reprogrammings

The reprogramming of positions and budget authority reflects the permanent effect of the September 15, 1985 reprogramming notification. The narrative accompanying the notification indicated that portions of the reprogramming were permanent and affect the 1986 appropriation anticipated.

Immigration and Naturalization Service

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	11,694	11,767	$593,800
Savings resulting from management initiatives	...	-82	-482
Uncontrollable increases	...	36	16,027
Decreases	...	...	-952
1987 base	11,694	11,761	608,393

Estimates by budget activity	1985 Actual			1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	7,723	7,171	$351,638	7,797	7,837	$379,754	7,797	7,827	$387,038	7,797	7,827	$387,038	...	...	...
2. Citizenship and Benefits	1,312	1,388	49,556	1,306	1,336	52,730	1,306	1,336	54,226	1,306	1,336	54,226	...	...	...
3. Immigration Support	2,028	2,023	140,497	2,023	2,020	127,991	2,023	2,024	132,342	2,023	2,024	133,342	...	...	1,000
4. Program Direction	586	685	38,324	568	574	33,325	568	574	34,787	568	574	34,787	...	...	...
Total	11,649	11,267	580,015	11,694	11,767	593,800	11,694	11,761	608,393	11,694	11,761	609,393	...	...	1,000

Immigration and Naturalization Service

Salaries and expenses

Summary of Resources by Program
(Dollars in Thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement:																		
Inspection	1,531	1,393	$77,880	1,531	1,406	$75,150	1,530	1,497	$73,980	1,530	1,502	$77,711	1,530	1,502	$77,711	---	---	---
Border patrol	3,695	3,448	149,534	3,695	3,078	141,802	3,694	3,639	163,593	3,694	3,597	165,394	3,694	3,597	165,394	---	---	---
Investigations	1,021	790	42,513	1,021	887	43,826	1,020	789	43,516	1,020	789	44,055	1,020	789	44,055	---	---	---
Anti-smuggling	329	300	14,766	329	283	15,207	323	302	15,084	323	302	15,394	323	302	15,394	---	---	---
Detention and deportation	1,152	1,187	73,167	1,152	1,077	73,451	1,180	1,210	82,077	1,180	1,217	83,574	1,180	1,217	83,574	---	---	---
Subtotal	7,728	7,578	357,860	7,728	7,171	351,436	7,797	7,837	378,250	7,797	7,827	386,128	7,797	7,827	386,128	---	---	---
Citizenship and Benefits:																		
Adjudications and naturalization	1,293	1,280	68,182	1,293	1,272	68,813	1,339	1,318	86,117	1,339	1,318	87,372	1,339	1,318	87,372	---	---	---
Refugees and overseas	19	120	6,438	19	116	6,743	67	118	6,611	67	118	6,952	67	118	6,952	---	---	---
Subtotal	1,312	1,373	90,620	1,312	1,388	93,556	1,406	1,436	92,728	1,406	1,436	94,324	1,406	1,436	94,324	---	---	---
Immigration Support:																		
Training	73	73	10,215	73	69	10,611	71	71	6,776	71	71	8,326	71	71	8,326	---	---	---
Data and communications systems	196	188	56,526	196	184	58,767	198	182	49,911	197	182	50,455	198	182	51,855	---	---	81,000
Information and records management	1,171	1,214	35,061	1,171	1,192	35,241	1,161	1,210	37,228	1,161	1,210	38,198	1,161	1,210	38,198	---	---	---
Intelligence	40	35	1,800	40	37	1,873	39	34	1,807	39	38	1,951	39	38	1,951	---	---	---
Research and development	2	2	533	2	2	-48	2	2	725	2	2	737	2	2	737	---	---	---
Construction and engineering	17	19	13,511	17	19	7,998	17	19	6,089	17	19	6,226	17	19	6,226	---	---	---
Field management and support	306	286	13,648	306	298	14,517	309	287	13,988	308	287	14,538	308	287	14,538	---	---	---
Legal proceedings	223	205	12,212	223	213	11,973	238	215	11,695	238	219	12,021	238	219	12,021	---	---	---
Judicial Review	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal	2,028	2,022	143,506	2,028	2,013	140,937	2,035	2,020	127,591	2,035	2,026	132,740	2,035	2,026	133,340	---	---	81,000
Program Direction:																		
Executive direction and control	175	174	9,759	175	176	9,977	170	169	8,958	170	169	8,995	170	169	8,995	---	---	---
Administrative services	411	418	28,238	411	409	28,474	388	355	29,871	388	355	29,988	388	355	29,988	---	---	---
Subtotal	586	592	37,997	586	585	38,451	558	524	37,829	558	524	38,983	558	524	38,983	---	---	---
Total	11,649	11,515	589,021	11,649	11,287	580,015	11,096	11,767	933,800	11,096	11,761	868,395	11,096	11,761	869,395	---	---	1,000
Reimbursable Workyears		1			1			1			1			1			---	
Total FTE Ceiling		11,516			11,288			11,768			11,762			11,762			---	
Other Workyears:																		
Holiday		1,768			1,758			1,804			1,800			1,804			---	
Overtime:																		
AUO		670			670			670										
Other		536			538			838			870			870			---	
Total compensable workyears		14,974			14,636			15,282			15,938			15,936			---	

Immigration and Naturalization Service

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	1,580	1,897	$75,490	1,580	1,922	$77,711	1,580	1,922	$77,711	...	...	...
Border patrol	3,694	3,639	163,593	3,694	3,597	165,394	3,694	3,597	165,394	...	...	...
Investigation	1,020	789	43,516	1,020	789	44,655	1,020	789	44,655	...	...	...
Anti-smuggling	323	302	15,084	323	302	15,344	323	302	15,344	...	...	...
Detention and deportation	1,180	1,210	82,071	1,180	1,217	83,934	1,180	1,217	83,934	...	...	...
Total	7,797	7,837	379,754	7,797	7,827	387,038	7,797	7,827	387,038	...	...	...

This budget activity contains most of the resources dedicated to both preventing illegal entry into the United States and facilitating the entry of qualified persons. This includes inspections of applicants for admission, patrol of the border, and the location of undocumented aliens who are in the United States following illegal entry or in violation of status after legal entry. Apprehensions are made through the inspections of farms and ranches, by the investigation of information about the local undocumented aliens and through investigative case work. Also included are the resources for the Service's nationwide Anti-smuggling program, and for the detention and deportation of undocumented aliens.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	1,580	1,897	$75,490	1,580	1,922	$77,711	1,580	1,922	$77,711	...	...	...

Long Range Goal: Ensure that the entry of applicants for admission to the United States is controlled in a manner which is consistent with the National interest, facilitate the entry of qualified applicants, and identify and deny admission to those not qualified; provide support to the Adjudications program by approving or denying applications and petitions for benefits which are sent to ports of entry for adjudication during standby time; and issue Border Crossing Cards at ports of entry.

Major Objectives:

1. Inspect (in cooperation with other Federal agencies) all applicants for admission to the United States.

2. Facilitate the entry of qualified persons through ports of entry.

3. Prevent the entry of inadmissible applicants through ports of entry.

4. Detect fraudulent documents representing false claims to U.S. citizenship or permanent residence and seize conveyances used for illegal entry.

5. Adjudicate applications and petitions at ports of entry in order to efficiently use inspector standby time.

Base Program Description: Applicants for admission to the United States are inspected at ports of entry to determine if they are qualified for admission and if so, under what conditions. This process is coordinated with the Department of State, U.S. Customs Service, Department of Agriculture and local port authorities.

Cross-designated inspectors are utilized at both land borders and select air ports of entry under the dual inspection concept whereby the officers of each agency conduct the primary inspection required by all agencies. "Citizen By Pass," "One-Stop" inspection and foreign pre-clearance inspections have been developed in cooperation with the U.S. Customs Service and the Animal and Plant Health Inspection Service to facilitate entry for the traveling public and better use inspection resources at air ports of entry.

Determination of inadmissibility is based on examination of the applicant, relating documents or prior information. Local and national lookout systems containing information relating to excludable aliens are available for use at each port of entry. Required documentation is examined to determine validity and relationship to the applicant. Inadmissible aliens are denied entry into the United States. Any criminal activity discovered in the inspection process is referred for appropriate investigation.

Applications and petitions for a full range of benefits under the immigration law are adjudicated during periods of standby time at most ports of entry during non-peak workload hours.

Applications for Border Crossing Cards are presented directly to ports located on the United States/Mexican border where they are adjudicated and issued by inspection personnel.

Accomplishments and Workload: Accomplishments of the Inspections program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Persons Inspected Port of Entry	298,943,149	300,826,336	305,000,000	305,000,000
Persons Inspected Pre-Inspection	7,292,965	6,830,171	7,000,000	7,000,000

Item	1984	1985	Estimates 1986	1987
Inadmissible Aliens Intercepted - port of entry.....	590,161	570,717	586,000	586,000
Inadmissible Aliens Intercepted - pre-inspection.....	11,281	14,053	14,000	14,000
Remote Adjudications Completed.....	655,626	668,000	700,000	700,000
Border Crossing Cards Issued.....	170,005	218,039	200,000	200,000

During 1985, the Inspections program continued to experience high levels of workload. Total inspections were 307.6 million, of which 125 million involved U.S. citizens. Pre-inspection functions at major overseas airports accounted for 6.8 million additional inspections; a total of 584,770 inadmissable aliens were intercepted. Improvements in methodology and techniques of detection of fraudulent and malafide attempts at entry into the United States continued throughout 1985 with successful fraud intercept task force operations now completed at 15 high risk ports of entry. Operational innovations leading to improvements in both border enforcement and facilitation of international travel continued to receive high priority during the past year. The new Nonimmigrant Information System, the National Automated Immigration Lookout System, Autopass, and the Combined Agency Primary Systems have allowed the existing inspectional staff to perform its functions in the face of consistently high workloads.

In their action on the 1986 appropriation request, the Congress provided $1,200,000 for 50 additional inspection positions. The reductions required by the Balanced Budget and Emergency Deficit Reduction Act of 1985 exceed the new resources provided. The Immigration and Naturalization Service will promptly notify the Congress through the established reprogramming procedure if operations in 1986 differ from the sequested level of $72,244,000.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol.....	3,694	3,639	$163,593	3,694	3,597	$165,394	3,694	3,597	$165,394	...	...	...

Long Range Goal: Ensure that the entry of persons into the United States between ports of entry is controlled in a manner which is consistent with the national interest as established and provided by Congress, by preventing entry of persons who have not been inspected and by detecting and apprehending illegal aliens within the United States.

Major Objectives:

Deter uncontrolled entry into the interior of the United States by the rapid detection, interception, and apprehension of illegal entrants before movement to the interior can be achieved.

Substantially reduce the undocumented alien population currently in the interior of the United States and deter other potential illegal entrants from attempting entry.

Base Program Description: Approximately 39 percent of Border Patrol officers' time is devoted to an activity known as linewatch. This activity prevents entry or promptly apprehends entrants after they have illegally crossed the border.

Officers engaged in linewatch are supported by computer monitored electronic ground sensors which alert them to illegal entries. Further support is provided by a fleet of observation aircraft, low light level television system and infrared viewing devices. The Border Patrol officers use a wide assortment of vehicles adapted to local terrain and operational requirements and employ motorcycles, all terrain cycles, boats and even horses where appropriate.

In addition to linewatch, traffic check operations are conducted along major routes of travel to restrict access to the interior by illegal aliens. Transportation centers are placed under surveillance for the same reason. Farm and ranch checks and city patrol operations are conducted to locate illegal aliens who have successfully entered the country.

Accomplishments and Workload. Accomplishments of the Border Patrol program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Deportable Aliens Located	1,138,566	1,262,435	1,320,000	1,320,000
Smuggled Aliens Apprehended	91,722	95,741	105,600	105,600
Smugglers Apprehended	13,501	14,678	15,600	15,600

In 1985 the Border Patrol apprehended and processed 1,262,435 deportable aliens. This exceeds the 1984 record by 123,869 and presents a 10.9 percent increase over last year. Border Patrol apprehensions made on the southern border were 1,183,455 in 1985 which is a 12 percent increase over 1984. In addition to the increase in apprehensions there was also a substantial increase in narcotics seizures made by the Border Patrol in 1985. Narcotic smuggling is again on the rise with heavily armed smugglers encountered. During 1985 the Patrol, in addition to its primary mission, handled 862 narcotics cases and seized narcotics valued at over $119 million, which is a 183 percent increase over 1984.

As a first step in controlling the increasing number of illegal entrants into this country, Congress approved the 1985 border enforcement enhancement. The Border Patrol's portion of the enhancement has now been successfully implemented, with nearly 700 new agents on duty as of the end of 1985. Seven classes are now in session at the Border Patrol Academy with 305 agent trainees. To support the increased workforce over eight million dollars was spent for new equipment. Items which were procured include firearms, binoculars, flashlights, mobile and portable radios and over 200 new vehicles. In addition, night vision equipment such as infrared pocket scopes and night vision goggles were acquired in support of patrol operations. Another eight million dollars of the enhancement is being used to construct six new Border Patrol facilities which are desperately needed to house the expanded workforce.

The Border Patrol has continued to increase its effectiveness by using the latest technological innovations available in detection and surveillance equipment. Those innovations include the use of remote image low light television and the most modern infrared scopes. These devices are invaluable in assisting agents during night operations when the majority of illegal aliens are attempting entry.

The Air Operations program is another important element in controlling the border. Helicopters have become an essential component of Border Patrol operations in areas with high volumes of traffic and give the patrol night air capability. The helicopters equipped with light bars provide an added dimension for interdiction of aliens and enhance officer safety

during hours of darkness. An officer's call for assistance will be responded to in a rapid manner regardless of the type of terrain.

The Border Patrol is experiencing with greater concern increases in persons seeking entry with criminal intentions, such as border bandits, alien and narcotics smugglers, kidnappers and persons suspected of terrorist involvement. Violence along our borders has been increasing at an alarming rate. This violence is especially prevalent along the southern border where last year there were over 150 recorded assaults against our agents resulting in 93 injuries. The trend has continued this year with 48 reported assaults occurring in the first quarter of 1986. During 1985 fifteen suspected terrorists were apprehended at the borders. While this number appears small, these individuals pose a serious threat to the safety of the citizens of this country. Suspected terrorists must be prevented from entering the country by means of illegal border crossings.

As the increased Border Patrol staffing in the 1985 Border Enforcement enhancement comes on line, accompanied by extensive equipment support, added technology and expanded air operations we can expect to see greater interdiction capability which will to some extent counteract the increasing numbers of aliens attempting illegal entry.

The availability of jobs in the U.S. continues to be the primary draw of illegal aliens to this country. As many as 70 different nationalities were lured to this country seeking higher wages, superior living conditions and more personal freedom. The first step of controlling the southern border has been a positive start; however, the temptation of illegal aliens to seek jobs in this country is still present and because of that magnet, aliens will resort even more to professional smugglers for help when their own attempts are unsuccessful in crossing the border. New legislation from Congress is needed as a second step in strengthening the Border Enforcement initiative of 1985. A comprehensive employer sanctions bill with concomitant interior enforcement would reduce the job magnet which draws the illegal aliens into this country.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	1,020	789	$43,516	1,020	789	$44,655	1,020	789	$44,655	...	...	...

Long Range Goal: Control and prevent illegal immigration by enforcing the Immigration and Nationality Act within the interior of the United States; identify violators and gather evidence of violations of the Immigration and Nationality Act and other related criminal laws; and initiate appropriate criminal prosecution or provide information to support administrative action to effect deportations and removals.

Major Objectives:

Ensure the investigation and apprehension of aliens involved in narcotics traffic, subversion, terrorism, and other serious or violent criminal offenses.

Identify employers who hire illegal aliens and deter the employment of illegal aliens.

Prosecute or stop illegal activities by persons or entities who conspire and assist aliens to obtain immigration benefits through the use of bogus documentation or schemes to perpetrate fraud.

Prevent aliens from fraudulently or illegally applying for and receiving benefits from government entitlement programs, and support prosecution or civil proceedings to recover benefits illegally obtained.

Investigate matters referred by other Service branches to locate aliens who have absconded from Service proceedings, develop grounds for denial of petitions and applications, and obtain evidence to support other administrative proceedings.

Base Program Description: Investigators detect criminal law violations and identify violators through various covert techniques and administrative procedures, and initiate appropriate criminal prosecution or administrative action. Categories of cases cover a broad spectrum, and include investigations of multi-national criminal alien organizations involved in racketeering, smuggling, counterfeiting, prostitution, official corruption, weapons and narcotics traffic, as well as investigations of individual aliens who have entered the United States illegally to find employment. The experience of the Service and other law enforcement agencies has shown that the prosecution of individual street-level violators has no lasting effect on the operation of large criminal organizations. The Service is increasing its use of investigative task forces and undercover techniques to identify individuals at the upper echelons of criminal organizations who provide the guidance and resources for large scale operations involving either immigration violations or general criminal activities.

Investigations personnel are deployed in more than 70 offices in metropolitan areas in the interior of the United States. Administrative control is exercised through headquarters in Washington, D.C., and four regional offices. A priority assessment system for case management is implemented at all offices to direct investigations resources to work those cases which are considered of greatest importance and have the most significant impact on the problems of controlling illegal immigration in the interior of the U.S.

Covert investigations gather evidence of criminal violations through undercover techniques which include consensual monitoring and video recording, the use of confidential informants, the purchase of illegal goods and services with confidential funds, and the infiltration of criminal organizations.

Investigative task forces concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization. Task forces often include investigators from other law enforcement agencies because of the wide variety of criminal law violations which are uncovered. The use of task forces enables the focus of investigations to be directed above individual street-level violators. Cooperation with other agencies increases the level of task force resources and enhances the ability of the Service to effectively uncover large scale criminal alien organizations.

Investigations restrains organized criminal activities through the investigation and apprehension of alien organization members, and through proceedings to neutralize the methods used to commit violations. Aliens involved in organized crime, subversion, and terrorism are taken into custody for Service deportation proceedings upon the completion of any term of incarceration imposed after criminal prosecution. Weapons, documents, vehicles, and equipment used in the commission of criminal violations are seized under search warrant for safeguarding as evidence, and vehicle forfeiture proceedings are

initiated under the Immigration and Nationality Act. While these activities are effective in depriving violators of the assets to continue their criminal enterprise, the Service's forfeiture authority is limited to the confiscation of conveyances. Jurisdiction for other forfeitures must be passed to other agencies.

Administrative investigations are accomplished through the use of traditional overt investigative techniques, such as interviews at places of residence and employment, and reviews of civil and business records. Investigations often require the service of subpoenas and search warrants to obtain evidence or to gain access to employment sites where illegal aliens are working.

Accomplishments and Workload: Accomplishments of the Investigations program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Cases received	38,040*	43,519	43,500	43,500
Cases completed	26,504*	28,418	28,400	28,400
Cases completed successfully	10,449*	12,204	12,200	12,200
Cases Authorized for prosecution	2,846	3,567	3,600	3,600
Apprehensions: 1/				
Resulting from casework	13,447	16,217	16,200	16,200
Other apprehensions	67,912	54,700	54,700	54,700
Productivity: Cases completed per workyear 1/	34*	37	37	37
Apprehensions per workyear: 2/				
Resulting from casework	17	21	21	21
Other apprehensions	88	71	71	71

* These figures for 1984 differ from those reflected in the 1986 Congressional budget submission. They were inadvertantly high due to improper counting of record checks as cases. The adjustment figures were computed based on the first quarter 1985 data using percentage relationships. The problem was corrected in 1985.

1/ Several categories of workload data showed decreases in 1984 as expected. The Investigations program has from 1984 been concentrating on cases dealing with criminal aliens, fraudulent immigration schemes, employers of illegal aliens and illegal aliens use of entitlement benefits. A number of the criminal alien and fraud cases revealed the need for a task force of investigators, special equipment and time if they were to be completed successfully. Although these task force operations produce good results, they also mean that the number of cases that can be handled is reduced even further. The number of illegal aliens apprehended is also reduced since these types of cases concentrate on the perpetrators rather than the alien customers.

2/ Prior to 1984 apprehensions were the focus of the Investigations area control group, which accounted for fifty percent of the program's effort. With the advent of the case management system and a concentration on high impact cases, apprehensions have ceased to be the function of one particular group. Instead, apprehensions result from arrests from casework,

hon-casework arrests, voluntary surrender, and other law enforcement agencies. The change in the computation of apprehensions per workyear acknowledges the fact that apprehensions are a function of all Investigations' workyears rather than that of a specific group.

The Investigations program places highest priority on cases involving criminal aliens, fraud schemes to obtain immigration benefits, and aliens who illegally receive benefits from government entitlement programs. These investigations are considered of great importance and impact on maintaining control of illegal immigration into the United States.

The effectiveness of the Investigations staff is not limited to the numbers of cases and apprehensions, but can also be demonstrated by the potential cost savings in terms of entitlement benefits saved, fines from prosecutions and wages not paid to illegal aliens. There are also immeasureable benefits acquired by reducing the number of illegal aliens holding jobs that subsequently become available for citizens.

- In 1985 Investigations identified 36,305 ineligible aliens who were applicants for or enrolled in government benefit payout programs such as unemployment insurance, welfare, etc. The cost savings to state and local governments resulting from the removal or nonenrollment of these aliens in entitlement programs was calculated to exceed $111 million.

- In 1985 Investigations located 34,567 deportable aliens holding jobs in this country. Using average annualized incomes, it can be estimated that U.S. citizens and resident aliens were displaced from jobs worth over $300 million.

- Also over 1,600 cases targeting notorious employers of illegal aliens were completed in 1985. More than 1,100 of these resulted in successful cessation of hiring of illegals by target employers. Since employment opportunity is the major cause of illegal immigration, reduction of the number of employers hiring illegals alleviates one of the "pull" factors drawing people to this country illegally.

- Investigators closed down 341 major fraud schemes in 1985. Typically, the targets in fraud cases assist several aliens through the sale, distribution, manufacture or alteration of bogus documents. Other targets arrange marriage or other relationship frauds.

A major thrust for Investigations has been to redirect investigative resources to focus on large scale criminal schemes. This is being accomplished through a task force concept targeted against crime rings and nationality groups. The task force operations to date have identified multiple conspirators and complex organizations that are international in scope, involving the manufacture of counterfeit immigration and other identification documents, the arrangement of fraudulent marriages, and the corruption of foreign-based travel agents. Extensive utilization of undercover operations and consensual monitoring equipment has resulted in successful prosecution and/or plea bargain agreements.

A notable example of a successful investigation recently completely involved the conviction of Bhagwan Shree Rajneesh. The Rajneesh Foundation International, headquartered in Central Oregon, was under investigation since 1982 for violations

including conspiracy, false statements, visa fraud and harboring illegal aliens. The investigation identified eight individuals, including Bhagwan Shree Rajneesh, who conspired to defraud the United States by arranging in excess of 400 sham marriages. Rajneesh pled guilty to two felony counts relating to conspiracy and false statements and writings and agreed to leave the country immediately in return for a suspended prison sentence. He was also fined $400,000. Seven other former leaders are awaiting trial relating to an indictment charging 35 counts of immigration fraud. Other state and federal agencies continue to use INS witnesses in furtherance of Grand Jury matters ranging from attempted murder to illegal wire tapping, to suspected salmonella poisoning of an entire Oregon communitiy.

Other task force operations are ongoing. One investigation involves 1,100 suspected fraudulent petitions submitted by one nationality group. In 46 cases investigated, a 92 percent rate of fraud was uncovered, involving the interrelationship of eleven principals, two attorneys, immigration consultants, and notaries public. In another instance a joint task force operation in Washington, D.C. with the Department of Health and Human Services involving the counterfeiting of alien registration documents and social security cards resulted in the arrest and charging of 10 principals, 15 additional aliens, and the recovery of a significant volume of the aforementioned counterfeit documents. A third extensive investigation involves Middle Eastern aliens engaged in fraudulent marriages, the sale of immigration documents to aliens at various locations in the United States and Europe for upwards of $7,500, sale of food stamps, and weapons and drug trafficking. This long-term inquiry has additionally targeted two attorneys who have knowingly submitted fraudulent documentation to the Service on behalf of these same aliens.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Smuggling.....	323	302	$15,084	323	302	$15,344	323	302	$15,344	...	...	...

Long Range Goal: Reduce the number of illegal aliens in the United States and prevent the entry of unqualified persons by detecting and successfully prosecuting those individuals involved in smuggling and transporting aliens.

Major Objectives:

Identify smugglers of aliens.

Investigate and apprehend smugglers of aliens, concentrating resources on major violators.

Prepare sufficient evidence to support the U.S. Attorneys in obtaining convictions of smuggling violators.

Increase deterrent efforts such as conveyance seizures, extraterritorial prosecutions, fines and sentences.

Base Program Description: While the large majority of alien smugglers apprehended by INS enforcement personnel are considered minor violators operating independently and infrequently, a growing number of these violators are associated with large-scale, highly organized criminal conspiracies involved in this extremely profitable criminal activity. Quite often, these professional organizations are simultaneously involved in other illegal activities such as narcotics and weapons smuggling, extortion, kidnapping, peonage, and document fraud on an international scale. Criminal investigators assigned to the Anti-Smuggling program identify and infiltrate these major violator organizations through the use of informants, surreptitious surveillance, undercover and task force operations, and interviewing, in order to collect evidence for arrests and subsequent prosecutions.

Anti-Smuggling officers, in prioritizing their investigative activities, utilize a case management system which categorizes smugglers as major violators, lower-level violators, and nonprofessional smugglers of household employees and relatives.

To increase its effectiveness in infiltrating and combatting alien smuggling conspiracies the Anti-Smuggling program works closely with the U.S. Attorneys and with officials of the Republic of Mexico and Canada. The Mexican Government has instituted assignment of special units at interior road checks in Mexico resulting in the apprehension of a number of Central American aliens before they reach the U.S. Border. Further, Canada has changed its laws to permit prosecution of smugglers in Canada who violate United States laws.

Accomplishments and Workload: Accomplishments of the Anti-Smuggling program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Smuggling Principals Apprehended (Anti-Smuggling)	4,416	3,399	4,900	4,900
Smuggling Principals Apprehended (Servicewide)	17,917	18,077	20,500	20,500
Cases completed	2,668	2,607	3,200	3,200
Prosecutions				
Major	1,394	1,073	1,600	1,700
Minor	5,081	5,587	5,600	5,500
Convictions (charges):				
Felony	2,153	1,463	2,600	2,700
Misdemeanor	3,308	3,660	4,200	4,100
Sentences (Months-All charges)	47,690	23,084	50,000	52,000
Conveyances Seized	8,775	10,348	13,200	13,200

A number of significant investigations of large-scale smuggling organizations were conducted during 1985 by Anti-Smuggling units. In one such case, a large scale smuggling and narcotics ring operating out of a truck stop in the El Paso area was broken up. This operation resulted in the arrest of twenty-one organizational principals, the apprehension of eighty-two illegal aliens and the seizure of sixteen semi-tractor/trailers and a pickup truck. In another case, a newly enacted criminal statute relating to taking hostages was used in the Houston area in an extortion/hostage situation resulting in the

arrest and conviction of two defendants and ten illegal aliens. In San Diego a well-organized baby smuggling ring operating between Tijuana, Mexico and several United States cities was broken up with the arrest of two of the major arrangers and smugglers. This organization had smuggled at least 26 infants into the United States charging as much as $4,000 and providing fraudulent birth certificates with each child.

Other successful prosecutions included: For the first time a blanket search warrant was issued and executed on an entire hotel which allowed entry into every room resulting in the apprehension and conviction of two of the organization's principals and thirty illegal Nicaraguan aliens; several joint FBI and DEA/INS investigations; labor contracting smuggling; and smuggling with tractor trailers, motorhomes, and other unusual vehicles.

The increased focus by the INS on reducing illegal immigration is reflected in the increasing numbers of alien smugglers apprehended and successfully prosecuted. The Service apprehended 18,077 smugglers, an increase of 160 over 1984. Reflecting the intensified efforts of the Anti-Smuggling program to identify and break up large-scale alien smuggling organizations and improve the quality of criminal investigations, a total of 6,660 prosecutions of alien smugglers was authorized, resulting in 5,123 convictions (a 77 percent conviction rate). As an adjunct to criminal prosecutions, the Service seized a total of 10,348 conveyances (cars, trucks, vessels, airplanes) used in alien smuggling, with an appraised value of more than $52 million. This is a considerable increase over the 8,775 vehicle seizures in 1984. The Service turned more than $2 million to the Treasury from the sale and disposition of seized vehicles and incorporated 192 suitable vehicles into the INS fleet during 1985.

In 1985 the program continued its focus on the identification, apprehension, and successful prosecution of major alien smuggling organizations, particularly in those instances where there is the likelihood of conspiracy. The successful implementation of Guidelines on INS Undercover Operations, signed by the Attorney General on March 5, 1984, has greatly enhanced the effectiveness of these efforts. Starting in 1986 the program is conducting extensive investigative efforts against broadly diversified smuggling organizations engaged in infant smuggling, hostage/extortion situations, corporate smuggling, drug and counterfeit document trafficking, extra-territorial prosecutions, and terrorist activities.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation....	1,180	1,210	$82,071	1,180	1,217	$83,934	1,180	1,217	$83,934	...	...	...

Long Range Goal: Adequately detain until ready for removal those aliens subject to exclusion proceedings and those subject to deportation proceedings who are likely to abscond or whose freedom at large would clearly represent a danger to public safety and security. Maintain and further develop a system of control which ensures that every case involving a deportable or excludable alien is processed expeditiously and, that the alien is removed from the United States when appropriate.

Major Objectives:

Promptly remove deportable and excludable aliens and avoid detention to the greatest extent possible.

Ensure that adequate alien detention capability is available by staffing and maintaining seven accredited INS Service Processing Centers (SPCs), and detaining aliens when necessary in non-INS facilities--including contract facilities which meet INS standards.

Provide adequate transportation and expulsion functions at the Oakdale Alien Detention Facility in support of the Bureau of Prisons (BOP).

Allow apprehending activities to operate at full capacity by maintaining a parity of removal capability.

Maintain an automated control system necessary to cope with the increasing number of apprehended illegal aliens.

Base Program Description: The Detention program and the Investigations, Border Patrol and Anti-Smuggling activities are interdependent in that (1) Detention is reliant upon the other three to apprehend the aliens to be detained; and (2) the Investigations, Border Patrol and Anti-Smuggling activities must be paced to the availability of detention space. When an alien's freedom at large would clearly represent a present danger to public safety or security, or when an alien's lack of funds or fixed address supports a finding that she/he is likely to abscond, that alien must be detained by INS pending a determination of deportability. Additionally, the Immigration and Nationality Act mandates that aliens who appear to be excludable be detained for further inquiry. To accomplish these detentions, INS utilizes Service Processing Centers (SPC) and non-Service detention space.

The Detention program currently maintains seven permanent SPC's. These centers are located in Manhattan, NY; Boston, MA; Miami, FL; El Paso and Port Isabel, TX; El Centro, CA; and Florence, AZ and have a combined rated detention capacity for 2,239 illegal aliens. The immigration detention officers assigned to these facilities are responsible for all matters relating to the care and custody of the aliens detained. In addition to the SPC's, an INS/Public Health Service facility is now operational at St. Elizabeths Hospital in Washington, D.C. for the detention of mentally ill Cubans. INS also maintains a full-time staff in the Atlanta Penitentiary because of the criminal Cubans detained there. In addition to these overnight facilities, a number of Service Staging Areas (SSA) for the temporary holding of apprehended aliens are also operated.

In 1986, Congress added resources to INS' appropriation for the staffing and operation of the Oakdale Federal Alien Detention Facility. Total resources added to the Detention and Deportation program were $3,326,000 and 29 positions. These resources were essential to ensure that the facility operates as planned. Oakdale will be the first combined INS/BOP facility, with INS handling transportation and casework. This facility will provide INS with the resources to partially keep pace with the combined effects of the 1985 Border Enhancement and the detention of Mariel Cuban criminals. Once it is fully operational, Oakdale will have the capability of providing INS with 365,000 detention days annually.

It is often cost-effective for the Detention program to use non-INS detention facilities. More than 900 of these non-INS facilities throughout the United States were used in 1985. About 53 percent of the aliens detained were kept in non-INS facilities. INS will continue to utilize non-INS detention facilities as much as possible to enhance its detention capability. Unfortunately, available detention space in state and local jails has declined because of escalating prison populations. In addition, some of the facilities previously used cannot continue to be used because they fail to meet INS detention standards which were developed with the assistance of the Bureau of Prisons.

The Deportation program accomplishes the removal of illegal aliens under either voluntary departure procedures or formal deportation proceedings. The major responsibilities of immigration deportation officers include the supervision of aliens while under bond, released on their own recognizance, or in detention. Additional responsibilities include maintaining liaison with the Department of State and foreign governments to obtain travel documents in order to effect deportations or removals expeditiously.

An alien removal capability is provided by various methods. INS operates its own fleet of passenger vans and buses to transport aliens. In addition, an alien travel fund is maintained to cover the transportation expenses of those aliens expelled at U.S. Government expense.

Accomplishments and Workload: Accomplishments of the Detention and Deportation program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Detention				
a. Aliens detained (Total)	169,070	145,989	166,000	181,000*
* INS Facilities	81,144	68,691	98,000	113,000
* Non-Service Facilities	87,926	77,298	68,000	68,000
b. Number of detention days	1,236,926	1,476,430	1,613,000	1,759,000*
* INS Facilities	778,712	916,970	1,081,000	1,227,000
* Non-Service Facilities	458,214	559,460	532,000	532,000
c. Average stay in detention (days)	7.3	10.1	9.7	9.7
Expulsions				
a. Aliens expelled (b+c+d+e)	1,014,821	1,069,680	1,118,000	1,118,000
b. Voluntary departures under docket control	41,005	44,538	45,000	45,000
c. Voluntary departures not under docket control	951,728	1,001,766	1,049,000	1,049,000
d. Deportations effected	19,987	21,588	22,000	22,000
e. Exclusions effected	2,101	1,788	2,000	2,000
f. Deportable aliens located, percentage expelled	85.6%	81.2%	81.2%	81.2%
g. Expelled aliens, percentage detained	16.7%	13.6%	14.8%	16.2%
Recognizance, Bond and Supervision				
a. Aliens released on recognizance	4,256	5,259	7,000	7,000
b. Aliens placed on bond	37,461	41,224	45,000	45,000
c. Aliens placed under supervision	55	139	100	100

* These figures do not correspond with those submitted earlier as part of the President's Budget.

The Detention program accomplished its mission during 1985 through the operation of seven SPC's. Through an expansion program, the combined rated capacity of these seven facilities is now 2,239 detainees. INS has also begun to expand its utilization of contract detention facilities exclusively for INS use, and such contracts are now in place in Los Angeles, Las Vegas, Denver, Laredo, Houston and El Paso. A standard statement of work for contract facilities has been developed

and will be used in future opportunities to utilize private sector entities for the safeguarding and care of Service detainees.

The Service has continued to initiate long-term improvements in its SPC's to ensure that they meet the detention standards which were developed in 1981. Phase II improvements are nearly complete in Krome where an in-house kitchen facility became operational in April. Architectural and engineering design work for air conditioning and expansion of the female barracks (Phase II) will begin this fiscal year. Expansion of barracks, improvement of sewage and water treatment plants, and an exterior recreation facility have been completed at Port Isabel. To make certain that non-Service detention facilities (state and local jails, etc.) are equally acceptable, a jail inspection program was developed and implemented. Approximately 120 Service officers have been trained in the jail inspection program and a methodical survey of all non-Service facilities was continued throughout 1985.

INS actively participated with the BOP in development of the 1,000 bed detention facility to be located in Oakdale, La. Construction is on schedule and the facility should begin preliminary operations during the second quarter of 1986. By using the Oakdale facility for longer term cases, spaces will be freed up in our border facilities for quick turnaround cases. In 1986, the Congress provided $4,885,000 and 67 positions to staff the Oakdale Alien Detention Center of which $1,000,000 and 22 positions were to be transferred from other INS facilities. The net Congressional increase for Oakdale was $3,885,000 and 55 positions of which $3,326,000 and 29 positions was for Detention and Deportation. To the extent feasible, the Detention and Deportation program plans to use the Congressional resources as intended, but the decision to sequester $3,529,000 from the Detention and Deportation program is so large that adjustments may need to be made. The reprogramming notices required by the Balanced Budget and Emergency Deficit Reduction Act of 1985 will specifically address any reduction that may exceed 4.3 percent.

INS worked closely with the U.S. Public Health Service (PHS) to ensure that adequate medical and mental health care services were available in the SPC's. PHS provided a medical staff for two INS facilities on a reimbursable basis, provided medical escorts when necessary, inspected INS facilities, and recommended improvements where necessary. An interagency working group was established to facilitate future initiatives to ensure that aliens detained and waiting expulsion from the United States are provided an appropriate level of care. PHS and INS are also co-located at a facility on the grounds of St. Elizabeths Hospital in Washington, D.C. used for the detention and care of approximately 130 mentally ill Cubans.

Under the terms of the December 1984 agreement between the United States and Cuba, INS, the Department of State and the Bureau of Prisons worked together on the Cuban Removal Program. The negotiated list contained the names of 2,746 Mariel Cubans to be moved to Cuba at a rate of 100-150 per month. A total of about 200 Cubans were repatriated during February-May, 1985 prior to the cancellation of the program. At present, the BOP facilities are full, and INS has custody of 596 Mariel Cubans, of which 179 are in INS facilities. Additionally, there are currently more than 2,300 Mariel Cubans with INS detainers in state/local facilities. These Cubans are entering the Federal system at a rate of approximately 80-100/month, which indicates that the problem is a long-term one.

The Deportable Alien Control System (DACS), an automated docket control and detention booking system, is now operational in the SPC's and in four major district offices (San Diego, Chicago, Philadelphia and New York).

Since responsibility for the Consenting Alien Program was delegated to INS in 1980 by the Department of Justice, the Deten-

59-584 O—86—17

tion and Deportation program has had organizational responsibility for it. A number of officers have been trained in defector protection and have been called upon on several occasions to take into protective custody those aliens who fear reprisal as a result of political asylum claims.

In 1985, Detention and Deportation completed a project with the Office of Justice Assistance, Research and Statistics on the implementation of Public Law 98-411. That law provided for the one-time reimbursement to states which had incarcerated Mariel Cubans paroled by INS subsequent to the 1980 influx. A total of 1,869 names were submitted and, of those, INS verified 1,716 as Mariel Cubans.

Activity: Citizenship and Benefits	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications and naturalization	1,239	1,218	$46,117	1,239	1,218	$47,372	1,239	1,218	$47,372	...	...	...
Refugees and overseas	67	118	6,613	67	118	6,854	67	118	6,854	...	...	...
Total	1,306	1,336	52,730	1,306	1,336	54,226	1,306	1,336	54,226	...	...	...

The resources necessary to provide the benefits of the Immigration and Nationality Act are provided in this activity. Included are the adjudication of applications and petitions submitted for benefits, and the processing of naturalization and citizenship petitions and applications. All operations conducted overseas except preinspection are within this activity.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications & Naturalization	1,239	1,218	$46,117	1,239	1,218	$47,372	1,239	1,218	$47,372	...	...	...

Long Range Goal: Provide for and facilitate the efficient, timely adjudication of applications and petitions for benefits provided by law, and naturalization of all eligible applicants.

Major Objectives:

Assure that benefits are provided to those entitled to them under the Immigration and Nationality Act, and denied to those not entitled, in a prompt and courteous manner and without undue burden on the public.

Attain and maintain currency in adjudications cases, which equates to a projected total of 190,000 pending cases (5 1/2 weeks' receipts).

Attain and maintain currency in naturalization and citizenship cases, which equates to a projected total of 120,000 pending cases (four months' receipts).

Attain and maintain currency in asylum applications, which equates to 4,000 pending cases (four months' receipts).

Manage resources in response to workload so that applicants will receive decisions of consistent quality and timeliness in all geographical jurisdictions of the Immigration and Naturalization Service.

Base Program Description: The Adjudications program--The principal statutory authorizations that this program administers are Sections 203, 204, 205, 212, 214, 245, 248 and 249 of the Immigration and Nationality Act. The purpose of the program is to provide prompt, consistent and correct decisions to persons seeking benefits, and to detect fraudulent applications.

The Naturalization program--Article I, Section 8, Clause 4 of the U.S. Constitution mandates the establishment of a "uniform rule of naturalization". The Congress, in compliance with its Constitutional mandate, has specified in Sections 301 through 360 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1401 through 1503) the means by which an alien may become a U.S. citizen. It vests exclusive jurisdiction to naturalize in certain federal and state courts. It also reserves to the Attorney General the authority to prescribe the nature and scope of the examination of petitioners for naturalization as to their admissibility for citizenship and to make appropriate recommendations to the naturalization courts. This authority in Section 332 of the Act (8 U.S.C. 1443) is exercised through INS employees designated by the Attorney General to administer the naturalization laws.

Accomplishments and Workload: Accomplishments of the Adjudications and Naturalization program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Adjudications:				
Adjudications cases received	1,709,611	1,897,160	1,750,000	1,700,000
End of Year Pending	210,360	347,387 1/	275,000	200,000
Adjudications Completed within the Program	1,053,983	1,298,946 2/	1,125,700	1,125,700
Adjudications completed using immigration inspector standby time at ports of entry. (These case completions are not included in the "adjudications completed within the program" figures above.)	655,626	885,921 2/	900,000	900,000
Naturalization:				
N-400 and N-600 received 3/	404,451	442,425	430,000	450,000
N-400 and N-600 completed	448,716	523,573	471,200	471,200
N-400 and N-600 pending at the end of the year	196,697	154,106	125,000	115,000
Persons naturalized	225,299	251,667	225,000	225,000
Certificates issued	28,205	31,508	30,000	30,000

1/ 1985 pending figure includes 102,000 Mariel Cubans not included in the 1984 pending figures.

2/ Prior to 1985 completed cases equaled the total number of cases approved and denied. Beginning in 1985 completed cases equaled the total number of cases approved, denied, and returned to the applicant/petitioner for more completed information.

3/ Form N-400 is entitled "Application to File Petition for Naturalization." Form N-600 is entitled "Application for Certificate of Citizenship."

During 1984, the Adjudications program established the Balanced Adjudications System for processing Adjudications casework. Within this system emergency cases, fraud cases and cases requiring an interview are handled by district offices, simple non-interview cases are sent to ports of entry for completion by inspectors during standby time, and complex non-interview cases are remoted to the four Remote Adjudications Centers (RACs), where personnel are free from collateral duties, telephone calls, and walk in visits by the public. Completions at ports of entry have increased by 45% in the last two years, while RAC completions have more than doubled. Overall, Adjudications productivity has increased by 25% during this period.

As of September 30, 1983, the number of Naturalization/Citizenship cases pending was 240,962. This amounted to 8.4 months' receipts. 1984 saw a 17% increase in receipts and 1985 another 9% increase. By the end of 1985 the pending figure was reduced to 154,106, which represented only 4.2 months' receipts. During 1985, a backlog was defined as an inventory of receipts in excess of four months.

Quality assurance is an increasing concern in Adjudications. Currently, there is an active review of cases denied, but there is no formal program for reviewing approvals. A supervisory review was instituted, to the extent permitted by resources, in 1986. Also, the Service is requiring maximum use of inspector downtime at ports of entry for the adjudication of remoted cases. To assure adequate quality of remoted work, additional training is required for inspectors.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Refugees and Overseas.....	67	118	$6,613	67	118	$6,854	67	118	$6,854	...	...	...

Long Range Goal: Approve qualified applicants for refugee status and for admission into the United States; adjudicate petitions and applications for benefits under the Immigration and Nationality Act (INA); verify claims on applications and petitions by conducting immigration investigations; and coordinate other enforcement related activities.

Major Objectives:

Coordinate with U.S. missions abroad; and represent U.S. immigration policy interests and concerns to host governments, international organizations, and private voluntary agencies.

Receive and adjudicate applications from persons requesting entry into the U.S. as refugees in accordance with the INA and yearly consultations between the President and the Congress.

Adjudicate applications and petitions related to individuals seeking admission into the United States as immigrants, and other benefits under the INA.

Conduct investigations in order to verify entitlement to benefits under the INA and prevent fraud, alien smuggling, and other violations of U.S. Immigration laws.

Provide planning, coordination, review, and evaluation of the Service's asylum and interdiction programs.

Base Program Description: Under the Immigration and Nationality Act, as amended, the Attorney General is responsible for the review and approval of applications from individuals seeking to enter the United States as refugees. Under a delegation of this authority from the Attorney General, these refugee determinations, which exceeded 79,000 approvals and denials in 1985, are made by the overseas offices of INS. In addition, these overseas offices receive and adjudicate petitions, applications, and waivers from the inadmissibility provisions of law, submitted on behalf of aliens seeking to enter the United States as immigrants and obtain other benefits under the Immigration and Nationality Act.

The Service also provides assistance to citizens and lawful permanent residents abroad regarding adoptions, immigration or parole of alien spouses and children, travel documents, and other related immigration matters. In support of overseas refugee and adjudications work, and adjudications and investigations being done by the Service's offices in the United States in connection with aliens living abroad or in the U.S., overseas offices conduct investigations to verify entitlements, and if possible, prevent fraud, and smuggling, and other violations of U.S. Immigration laws.

Overseas offices, in coordination with U.S. missions abroad, carry out the Attorney General's responsibility for controlling the entry of aliens into the United States by representing immigration policy interest and concerns to foreign governments, international organizations, and private voluntary agencies. In representing these concerns to other institutions and individuals, the overseas offices provide for increased sharing of information in the international community on refugees and trends in international migration, the immigration laws and policies of the U.S. and other nations, immigration fraud and international smuggling, and possibilities for collaborative enforcement and other immigration related efforts.

This unit also plans, coordinates, reviews, and evaluates agency field efforts in processing applications from individuals seeking asylum in the United States. These individuals, though distinct from refugee applicants in that they are already physically present in or at the border of the United States, must satisfy the requirements of the Refugee Act of 1980.

Finally, this unit is responsible for reviewing requests for the use of the Attorney General's authority to grant humanitarian parole into the U.S. for deserving individuals, and coordinating the Service's interdiction program with other participating Federal agencies. The latter program, with the assistance of the Coast Guard, provides for interdiction and return to countries of embarkation, individuals attempting to reach our shores illegally.

Accomplishments and Workload: Accomplishments of the Refugees and Overseas program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Refugees Applying for Entry				
*Pending/Backlog	12,681	13,707	12,000	12,000
Received	107,437	93,415	100,000	100,000
Completed	94,756	79,708	90,000	90,000
Adjudications Completed				
*Pending/Backlog	6,218	1,762	...	...
Received	42,804	65,608	66,000	66,000
Completed	42,598	66,896	66,000	66,000
Investigations				
Received	3,303	5,239	5,500	5,500
Completed	2,583	5,580	5,500	5,500

* These are incompleted cases at year-end.

In 1984 and 1985 the Service improved the effectiveness and efficiency of its overseas operations through (1) the issuance of INS Worldwide Guidelines for Overseas Refugee Processing; (2) the redistribution of workload among overseas offices commensurate with worldwide geographical changes in the distribution of workload; (3) the addition of improved training and rotation policies for overseas personnel and the replacement of temporary detail personnel with fewer and less costly permanent staff; (4) improvement in the conditions of service for overseas personnel; (5) streamlining the Service's headquarters management support for overseas offices through greater reliance on the program management capacity of overseas offices, the greater use of routine administrative services provided by State Department embassies and consulates abroad, and emphasis on substantive programmatic review by Washington headquarters; (6) the establishment of a formal headquarters review of denied refugee cases; and (7) relocation of the Hong Kong district office to Bangkok to provide for improved direction and greater effectiveness and economy in the Service's operations in Asia. In addition to these accomplishments, the Service has also begun to examine ways to increase the ability of overseas offices to contribute to the agency's domestic goals and operations through strengthened and more closely coordinated adjudication, investigation, and enforcement related activities.

Accomplishments in the Service's asylum program have included the elimination of the agency's asylum case backlog, the establishment of monthly processing goals, the installation of new asylum officer training programs, and improved coordination of the Service's asylum operations with the Department of State, and the Executive Office of Immigration Review, whose immigration judges receive asylum claims during expulsion proceedings. This unit has program development and monitoring responsibility for the asylum program, but the personnel resources for case adjudication are within the Adjudications and Naturalization Program.

To facilitate the Service's interdiction program, the Refugees and Asylum program has continued its 1985 efforts to strengthen cooperation between participating Federal agencies and the countries of the Caribbean from which most of those intercepted embark.

Activity: Immigration Support	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	71	71	$6,776	71	71	$8,326	71	71	$8,326	...	...	...
Data and communications systems	190	182	49,913	190	182	50,655	190	182	51,655	...	...	$1,000
Information and records management	1,161	1,210	37,228	1,161	1,210	38,398	1,161	1,210	38,398	...	...	...
Intelligence	39	34	1,807	39	34	1,851	39	34	1,851	...	...	...
Research and development	2	2	535	2	2	537	2	2	537	...	...	...
Construction and engineering	17	19	6,089	17	19	6,226	17	19	6,226	...	...	...
Field management and support	305	287	13,988	305	287	14,328	305	287	14,328	...	...	...
Legal proceedings	238	215	11,655	238	219	12,021	238	219	12,021	...	...	...
Total	2,023	2,020	127,991	2,023	2,024	132,342	2,025	2,024	133,342	...	...	1,000

This activity includes the resources for construction, communications, records management, automated data processing, training of personnel, research and development, field management, legal proceedings and the alien documentation program (ADIT). In addition, it provides a capacity to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	71	71	$6,776	71	71	$8,326	71	71	$8,326	...	...	...

Long Range Goal: Establish and maintain an employee development system that meets the needs of management and individual employees and complies with regulatory requirements.

Major Objectives:

Servicewide Operations Training:

a. Basic training for all new recruits to the officer corps.
b. Advanced technical training primarily for the journeyman officer corps.
c. Updated curriculum for the basic and journeyman officer corps training programs.

Servicewide Support Training:

a. Training for INS supervisors, managers, management officials and executives.
b. Technical training programs to meet requirements not satisfied by in-Service programs.

Regional and Local Training:

a. Training for organizational and individual requirements that are not accomplished through national or Servicewide programs.

Base Program Description: INS training requirements are identified annually and revised during the year as dictated by new regulations, legislation or organizational needs. Actual training is accomplished by in-Service training programs using INS instructors, training programs conducted by other agencies, private firms or a combination of the foregoing. In-Service training programs are primarily related to specific INS subjects. The following is a brief description of the activities:

Servicewide Operations: Comprises the law enforcement, supervisory and other operations training (basic and/or advanced) delivered to the officer corps personnel and any other employees directly involved in Servicewide operations (e.g., contact representatives, and deportation docket clerks). Training is conducted primarily at the Officer Development Training Facility (ODTF) in Glynco, Georgia. Included under this activity are the positions permanently assigned to and the general administrative costs at the ODTF.

Servicewide Support: (1) development and implementation of technical training programs for executive, managerial, clerical and administrative employees; (2) technical training not conducted at the ODTF for all other occupational groups; (3) development of policies and procedures regarding employee development; (4) determination of effectiveness and efficiency of all INS Servicewide training programs; (5) evaluation, consultation research and implementation of new training techniques to improve curriculum; and (6) the formulation and execution of the INS training budget. Included in this activity are the positions permanently assigned to the Central Office (excluding the training officer).

Regional and Local Training: Includes specialized training and development needs of employees in the Central Office and the regions. These needs primarily have individual or local implications which are not presently required for Servicewide programs. These programs are conducted either locally, in-house or by external sources. Included in this program element are the training officer and support positions permanently assigned in the Central and regional offices, and those resources needed to cover tuition costs, travel and per diem.

Accomplishments and Workload: Accomplishments of the Training program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Workload Production/Training Completions:				
Border Patrol Basic	284	582	530	400
Immigration Officer Basic	175	230	190	190

Item	1984	1985	Estimates 1986	1987
Detention Officer Basic	79	73	120	100
Journeyman Officer Training	449	396	460	460
Basic Supervisory Development	264	222	216	216
Management Development	28	150	200	200
Executive Development	25	22	30	30
Extension Training	659	560	600	600
Contact Representatives and Docket clerks	24	46	50	50
Regional/Central Office Training	2,760	2,745	2,550	2,550
Occupational Surveys for Project Course Review	1	...	...	...
Workload Production/Training Starts:				
Border Patrol Basic	324	1,218	700	384
Immigration Officer Basic	185	187	190	170
Detention Officer Basic	103	74	120	100

In 1985, 885 officers completed basic officer corps training program at the ODTP. The length of these basic officer programs is as follows: Detention - 6 weeks, Immigration - 14 weeks, and Border Patrol - 17 weeks. Journeyman training was provided for 396 officers, and 222 INS supervisors and managers attended supervisory/managerial training courses sponsored under Servicewide programs. In addition to Servicewide programs, 2,745 individual training courses were provided to INS employees to meet regional and local training needs.

Accommodating the large 1985 increase in Border Patrol trainees required a great deal of planning and coordination. The Marana, Arizona training facility obtained by the Federal Law Enforcement Training Center is being used for some of the journeyman and supervisory classes. This additional facility should enhance our ability to schedule programs for employees in the western states.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications Systems	190	182	$49,913	190	182	$50,655	190	182	$51,655	...	...	$1,000

Long Range Goal: Increase the efficiency and effectiveness of INS operational, administrative and managerial functions by providing the optimal level of data automation support; provide the modern data communications required to support all INS information needs; produce and issue alien identification documents; and provide radio and electronics equipment and systems required by the INS to support its service and enforcement functions.

Major Objectives:

ADP Systems --

Operate and maintain current systems: Non-Immigrant Information System, Financial Management Information System, Anti-Smuggling Information System, Performance Analysis System, Immigrant Visa Data Capture System (IMDAC) and the Vehicle Accounting System, with upgraded access by Service employees to these systems through enhanced software and additional user hardware.

Operate and maintain new ADP Plan based systems and databases which have become operational in 1984 and 1985: Central Index System, Student/Schools enhancement to Nonimmigrant Information System, Legal Case Tracking, National Automated Immigration Lookout System, Seized Vehicle System, Debt Collection System, Fees and Applications Receipts and Entry System, the Remote Adjudications Tracking System, Marriage Fraud Identification System, and the Alien Status Verification System for use with the Systematic Alien Verification for Entitlements (SAVE) program.

Continue with the implementation of the ADP Plan by the installation of hardware and word processing, data communications and facility operations made possible by the competitively awarded contract in the second quarter of 1985.

Expand redesigned ADP Plan based systems to additional INS locations. The systems included in this expansion are: Legal Case Tracking, Adjudications Casework Support, Naturalization Casework Support, Deportable Alien Control, Anti-Smuggling Information System, Marriage Fraud Identification System and Fees and Applications Receipts and Entry System.

Data Communications--

Operate the Immigration and Naturalization Service 36,000 mile Communications Network (INSINC). Provide INS field offices with inter-office data communications and remote access to centralized databases and computing resources with the capabilities to expand to support new applications contained in the Long Range ADP Plan by upgrading the backbone network with higher speed lines to maintain system operations with increasing transaction volumes.

Alien Documentation, Identification and Telecommunications (ADIT) Systems--

Maintain high volume, cost-effective production and issuance of secure identification cards and updates to computer databases associated with identify information.

Electronics Support--

Provide INS operating units with reliable, modern radio and electronics equipment and systems. These will support the mission goals associated with enforcement and control of illegal migration. The expanded use of MICROWAVE systems began in 1984 and 1985.

Provide automated intrusion detection capabilities at selected Border Patrol sectors consisting of a variety of sensor and imaging equipment with centralized monitoring at the sector for dispatch and reporting purposes through the CADRE System.

Provide an effective maintenance program and equipment replacement and upgrade schedule. This is required to ensure effective operation of communications and electronics capabilities.

Base Program Description: Development, operation and maintenance of existing and developing ADP systems are accomplished by: (1) computerized support provided on a reimbursable basis by the Justice Data Service Center in Washington and the dedicated Southwest Data Center in Dallas, Texas; (2) INS Satellite Data Centers; and (3) purchased/or leased hardware provided through the equipment acquisition project.

Systems will be maintained at current and expanded levels of service through the operation of existing and recently developed systems defined in the long range ADP Plan.

The Data and Communications Systems program will continue to operate the recently implemented data communications network providing remote access to central computer records.

Volume identification card issuance and database establishment will be accomplished by the operation of the Immigration Card Facility. The facility is operated under contract with technical and operational direction and peformance monitoring performed by on-site INS personnel. The production operation functions at a base rate of 1,100,000 cards and associated database entries annually to meet minimum recurring documentation needs.

The Radio Communications program provides Service operational elements with radio communications, intrusion detection (electronic sensors and imaging equipment) and electronics security equipment and systems. Radio frequency management, inventory and replacement schedules are maintained through the use of microcomputer and time-sharing services.

Accomplishments of the Data and Communications Systems program:

I. ADP SYSTEMS

1. Systems Planning--

The 1986 request represented the third full year for the new INS automation program as defined in the Service's Long Range ADP Plan. Following its acceptance in 1982, the plan's early development initiatives were begun on schedule. The 1984 request was formulated to allow these early efforts to be fully pursued. The two specific accomplishments of 1984 which allowed early implementation of the Plan were (1) award of a contract for software development and (2) agreement with the Department of Justice to establish a Southwest Data Center to support the software systems envisioned in the plan which were developed ahead of schedule. A significant accomplishment of 1985 was the 2nd quarter award of an ADP hardware and facility operations contract. These initiatives have provided a continuing source of ADP professional and computer processing resources to development and implementation efforts underway as identified below.

2. Systems Development—

Numerous developmental efforts are now underway or have been completed: (1) The Central Index System was completed in August 1984 for prototype implementation with full production in September 1985; (2) The Students/Schools system became operational in September 1984; (3) The Legal Case Tracking System which provides needed support to Service's legal offices was implemented in the Chicago and New York District Offices; (4) The National Automated Immigration Lookout System was expanded to seven additional inspection sites; (5) The Fees and Applications Receipt and Entry System will provide improved accounting for cases initiated and associated fees received by the Service, and was installed in the Eastern Regional Adjudication Center; (6) The design and development of a system to support investigative efforts in the detection of marriage fraud was initiated; (7) The Performance Analysis System is being enhanced to improve data timeliness and quality; (8) The design and development of Seized Vehicle and Debt Collection Systems associated with the Financial Management Information System will be completed during the 3rd quarter of 1986; and (9) The Alien Status Verification System which provides State access to INS automated records has been made available to four States through the SAVE program. When fully implemented this cost avoidance system has the potential of avoiding two and one-half billion dollars of payments to illegal aliens.

3. Systems Operation—

The following operational systems have been recently expanded and are now available at 138 INS sites: (1) The Central Index System was also expanded to serve State government offices. This expanded emphasis has permitted the database to expand to over 20 million individuals in 1985 versus the 17 plus million at the start of 1984. The Index currently supports over 50,000 inquiries a day; (2) The Non-Immigrant Information System which replaced the Non-Immigrant Document Control System has been improved to a point that over 525,000 records can now be loaded in a 24 hour period. This capability has permitted the database to meet currency goals and has resulted in over 55 million records being maintained on the database; (3) The new Deportable Alien Control System, which operates on the DOJ computers, was installed in Chicago; (4) The new Naturalization Casework System was implemented in Chicago and San Francisco and Miami during the 4th quarter of 1984 through the 2nd quarter of 1985; (5) The new Alien Entrant Control system which supports the Cuban Adjustment Program was implemented in March 1985 in Miami, New York and Chicago district offices; (6) Numerous improvements were made in the various subsystems of the Services' Financial Management Information System; (7) The Anti-Smuggling Information System, which became operational in January 1984, was expanded to support the El Paso Intelligence Center in April 1984 and the Western Region in October of 1984 and is currently available via all Service ADP terminals; (8) The timeliness of the Performance Analysis System has been improved such that its products are now being used by central and regional INS management to support the decision making process; (9) The Immigration Card Facility now produces and issues over one million Alien Registration Receipt Cards and Nonresident Alien Border Crossing Cards annually with a design capacity of over 3 million documents annually. This capability was made possible by a redesign of the production control ADP system and streamlined card assembly procedures; (10) The Immigrant Visa Data Capture Project, which allows several Service databases to be updated from a single source, was transferred to a new site and is now fully operational for immigrant and adjustment of status cases; (11) The hardware acquisition project has been successfully initiated with new equipment arriving in March 1985. By January 1986 over 1,500 new workstations were installed; (12) The replacement of 211 word-processors has begun with new office automation terminals which provide additional capabilities such as electronic mail, calendaring and decision support software; and (13) Two district offices are being equipped with new ADP hardware systems to support the A-File Tracking System which records the movement of alien files in district offices.

II. DATA COMMUNICATIONS

The Service's data communications network (INSINC) has been expanded to over 138 INS field offices allowing for immediate access to INS systems on the Justice Data Centers. INSINC has been expanded to include access to at least two non-INS information sources--the National Law Enforcement and Telecommunications System (NLETS), which provides information from State law enforcement systems and the FBI's National Crime Information Center (NCIC), which provides information on Federal offenders.

III. ELECTRONICS SUPPORT

1. Radio Systems--

Installation of the Detroit radio system has been completed on schedule. The Southern California Microwave System path survey design was finalized and will be used for that portion of the joint INS/FAA microwave backbone. An interagency agreement was signed with FAA for sharing microwave systems to the maximum extent possible. Detailed arrangements are being developed. The initial leg of the system from Oklahoma City to Dallas has been completed and is fully operational; this was a coordinated effort with FAA. Similar arrangements are underway for implementing microwave backbone for the New Orleans segment (Texas to Florida) and the Southern California segment (Los Angeles to Arizona) through a joint effort with FAA. Installation of the Dallas - San Antonio - Houston microwave system is continuing. A large quantity multi-year mobile and portable radio acquisition was completed in 1984 and 1985. An additional large quantity portable radio acquisition was also completed. Approximately ten percent of INS' aging radio equipment was replaced in 1984 and 1985, while providing additional radios for the increased number of officers authorized in 1985. Site surveys have been completed and orders placed for radio communications systems in four additional offices: St. Paul, MN; Omaha, NE, Kansas City, KS; and Salt Lake City, UT and lisison equipment in Helena, MT.

2. Intrusion Detection--

Contracts for both land mobile infrared imaging equipment with remote image TV and airborne Forward Looking Infrared (FLIR) imaging equipment have been awarded. Low Light Level Television (LLLTV) border surveillance systems have been acquired for the Tucson and Yuma Sectors and arrangements have been made to acquire similar systems for the Laredo, Del Rio and San Diego Sectors.

Equipment for the Marfa and McAllen intrusion detection systems have been installed and acceptance testing completed. A requirements analysis was completed and documented for a uniform detection system (CADRE) and a contract awarded for software development. The closed circuit television system at the El Centro Service Processing Center was upgraded. Delivery of sensors and signal transmission equipment acquired for the Swanton, Tucson and San Diego Border Patrol sectors is underway. A major improvement in sensor connectors was developed and incorporated into all new equipment being delivered. Contracts were also awarded in 1985 for a variety of imaging equipments (night vision goggles, binoculars and low light level pocket scopes) for Border Patrol enforcement support.

Program Changes: An increase of $1,000,000 is requested for computer processing and telecommunications access to INS data systems needed to expand the Systematic Alien Verification for Entitlements (SAVE) program to 20 more states. SAVE is an intergovernmental information sharing initiative developed by INS to prevent aliens from receiving entitlement benefits for which they are not eligible. The SAVE Program is cost effective. During fiscal year 1985, Service offices reported more than $110 million in cost avoidances from both formal SAVE Programs and existing pilot projects. If SAVE were to be implemented throughout several "high risk" entitlement programs, cost avoidances could reach $2.5 billion dollars per year. Its nationwide implementation will not only save taxpayers billions of dollars but also create a significant deterrent to illegal immigration into the United States.

The SAVE Program has been standardized since October, 1985, and is now available to every State and all entitlement agencies. At present, California, Colorado, Illinois, Indiana, and Florida are formally participating in the SAVE Program. Pilot projects of the SAVE Program are also operating in many other states including Texas, Virginia, Idaho, and Louisiana. The $1,000,000 increase will allow formal implementation of the SAVE system in 20 more states as follows:

New Jersey	Vermont
North Carolina	New Hampshire
South Carolina	Connecticut
Idaho	Virginia
Washington	District of Columbia
Texas	Missouri
Mississippi	New York
Louisiana	Wyoming
Oklahoma	Michigan
Maine	Nevada

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management	1,161	1,210	$37,228	1,161	1,210	$38,398	1,161	1,210	$38,398	...	...	...

Long Range Goals: Information Services--Provide timely, accurate information to the public and the INS concerning immigration benefits and procedures, policies, plans and activities.

Records--Provide timely, high quality records responsive support to INS' operating components and other U.S. law enforcement agencies and administer a Servicewide program designed to ensure the utility and reliability of data generated by INS information systems in-house and contracted for.

Freedom of Information and Privacy Acts--Ensure Servicewide compliance with the Freedom of Information and Privacy Acts.

Statistics--Provide analytical, technical expertise on statisical matters, and timely, accurate, and statistics upon which to base policy decisions.

Major Objectives:

Respond to 90 percent of all telephone inquiries from the public within five minutes, all in-person inquiries received from the public within fifteen minutes, and all written inquiries received from the public within fifteen days.

Improve service to the public by providing better information, response time and public service area facilities.

Reduce record holding and dependence on hard copies.

Reduce significant backlogs and improve responses to information requests from the public, INS personnel, law enforcement agencies and other government agencies.

Continue to improve quality control activities by establishing and enforcing standards, conducting life cycle analysis, and vigorous testing of new systems.

Improve the control, maintenance, and availability of INS records and information derived therefrom.

Support the INS Files Control Offices by continuing to provide training and operational assistance for automated systems.

Reduce Servicewide mail costs as result of a formal Mail Management Program.

Expand the quality assurance program to work performed by contractors on the automated Nonimmigrant Information System (NIIS) and Immigrant Data Collection System (IMDAC) and to work performed by INS personnel on various internal automated tracking systems.

Improve the Service's image by using an effective Correspondence Management Program.

Freedom of Information Act and Privacy Act—

Respond to all Freedom of Information and Privacy Act (FOIA) requests within statutory and regulatory time limits.

Publish notices of systems of records subject to the Privacy Act and insure Servicewide compliance with records maintenance and disclosure requirements of the Privacy Act.

Ensure that all Service employees are informed about their responsibilities under the FOIA and Privacy Act.

Ensure that personnel involved in FOIA and Privacy Act administration are adequately trained.

Reduce FOIA/PA appeals and litigation.

Improve Servicewide workload data and productivity measurement.

Ensure timeliness, quality and completeness of all statistical data produced by the Service.

Develop, analyze, and publish timely, high-quality workload and migration statistics in annual statistical yearbooks and special bulletins.

Establish and maintain liaison with other Federal and state agencies and outside groups involved in the collection or analysis of immigration-related statistics.

Conduct statistical analyses and prepare reports for policy making at agency and congressional levels.

Base Program Description: Information Services--Inquiries received by telephone, in person and in writing are handled by Contact Representatives. In order to improve response time and still provide high quality personal response to inquiries much of the Contact Representative's work by installing word processing equipment and automated sequencing of incoming telephone calls with recorded messages is being automated at various Service offices. Fifty-two multi-language general information library tapes have been prepared and are in use at twelve selected field offices and at two Telephone Service Centers serving nine additional offices.

Records--The application of ADP, technologies and contractor expertise to the control and access of records is moving forward both at the Central Office and the field offices. Alien files and various other records are maintained at 51 files control offices throughout the United States.

Freedom of Information and Privacy Acts--Requests for access to or amendment of INS records are received at INS offices throughout the nation. The determination to grant or deny a request is made at the district or regional office receiving the request and maintaining the appropriate records. INS answers approximately 25,000 requests per year. INS maintains ten Privacy Act records systems. The FOIA/PA program is guided from a Central Office program staff, through regional coordinators, to a network of more than 50 district FOIA/PA coordinators.

Statistics--Statistical data is submitted to the Central Office from a variety of sources, and tabulated and analyzed by the Statistical Analysis Branch. This includes both workload data and statistics on immigrants, refugees, nonimmigrants, deportable aliens, and nationality activity from manual and automated sources. Efforts are undertaken to ensure the accuracy and completeness of data from all sources. As appropriate, monthly, quarterly, annual, or special ad hoc reports or bulletins are published. Statistical information and analyses are provided to Service management, the interested public, other agencies, and Congress. Technical advice is provided within the Service on statistical matters. The Statistical Analysis Branch also maintains liaison with other agencies and outside groups which have related statistical and policy interests.

Accomplishments and Workload: Accomplishments of the Information and Records Management program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Information Services:				
Pending Beginning of Period - Correspondence.....	8,320	9,810	3,505	3,505

Item	1984	1985	Estimates 1986	Estimates 1987
Receipts - Correspondence	641,481	439,588	440,000	440,000
Completions- Correspondence	639,991	445,893	440,000	440,000
Inquiries:				
Ask Immigration Telephone System	1,755,000	2,220,052	3,160,000	3,160,000
Non Ask Immigration Telephone System	4,649,000	2,332,116	2,300,000	2,300,000
In person	5,612,000	4,182,777	4,100,000	4,100,000
Records:				
Receipts -				
Files opened	658,853	828,668	825,000	850,000
General searches	3,566,844	4,085,391	4,150,000	4,300,000
Files transferred or forwarded on loan	610,136	552,733	500,000	450,000
Filing material into "A" files	1,186,117	1,532,624	1,500,000	1,500,000
Completions -				
Files opened	688,863	828,668	825,000	850,000
General searches	3,477,878	4,085,391	4,150,000	4,300,000
Files transferred or forwarded on loan	601,334	552,733	500,000	450,000
Filing material into "A" files	1,156,344	1,532,624	1,500,000	1,500,000
FOIA/PA:				
On Hand/Receipts - Freedom of Information Act & Privacy Act Action	36,910	19,326	21,000	22,000
Completions - Freedom of Information Act & Privacy Act Action	32,629	15,303	16,000	17,000
Statistics:				
Receipts-				
Unedited and unvalidated Reports	7,225	7,225	7,430	7,430
Inquiries	2,700	2,700	2,700	2,700
Completions-				
Edited and validated Reports	7,225	7,225	7,430	7,430
Consolidated edited and unvalidated reports	1,203	1,203	1,203	1,203
Statistical Yearbooks	1	2	2	1
Public Use Tapes	18	15	18	20
Inquiries Answered	2,700	2,700	2,700	2,700
Users Served	7,000	7,014	7,200	7,200

Information Services--During 1984, stand alone tape library telephone systems ("Ask Immigration") were in operation at ten cities nationwide: Atlanta, Chicago, Dallas, Detroit, Houston, Miami, San Antonio, Seattle, Tampa, and Washington, D.C. Other locations are served by our regionalized Telephone Service Centers (TSC).

In April 1984, the Eastern TSC was established at New York. In July 1984 the Western TSC began operations at Los Angeles. These centers provide a dedicated telephone answering service to the general public, using taped messages. The Eastern TSC provides service to the District Offices at New York, Newark, Philadelphia, Boston and Hartford (added in June, 1985). The Western Center telephone services started with the District Offices at Los Angeles, San Francisco and San Diego. San Jose was added in February, 1985. When the public calls a district office using the general information number, calls are automatically routed to the regional center servicing that district office. Preliminary planning for centers in the northern and southern sections of the country was completed in August 1985.

Two automated information systems (IDIAL and IVIS) were installed at the Los Angeles District Office in March 1985 and at the New York City District Office in July 1985. IDIAL (Immigration Direct Access Lines) makes it possible for individuals to dial directly on house phones in the District Office Information Unit waiting room into the pre-recorded "Ask Immigration" tape library system and receive information on fifty different immigration and naturalization subjects. The taped information was updated in March 1985 to address new subject areas such as nonimmigrant exchange aliens, treaty traders and treaty investors, and to make the messages easier to understand. The IDIAL system also refers clients to INS forms areas and to the automated companion system called IVIS (Immigration Video Information System). With IVIS, the caller can look at a video monitor to see how to complete eight of the most often used immigration and naturalization forms.

Information Services in its efforts during 1985 to improve services to the public installed two totally automated "Ask Immigration" telephone answering services. The first began operations at Charlotte, N.C. in May 1985. The second began operations at Portland, Oregon, in June. A caller must have a touch-tone dial phone to access the tape library system. Upon accessing the system, a caller is given detailed instructions on how to operate and receive any taped information desired. Brochures were developed in April to promote the unattended systems at the two locations and explain how they operate. The two systems were set up to test public acceptance and to determine effectiveness of their operations. The test period covered June through September 1985. Reports indicated that telephone assistance almost doubled at these two sites.

Records--Much has been accomplished in the area of automation of the Records operations to make the search and record keeping activities less time consuming. On September 16, 1985, with the implementation of the new Central Index System and File Transfer Subsystem, fifty Files Control Offices (FCO) were placed on-line, with each office having the capability to perform records data entry functions and the ability to automatically request a transfer of a file from another office.

A Service Records Remoting Program was successfully implemented at Central Office (CO) on January 7, 1985 and is designed to reduce excessive records workloads at selected field offices. The first records work to be performed was automated file creations. The largest volume of file creations, 13,497 cases, was received from the Houston District Office and processed by the end of February 1985. Work has also been received from other offices including San Antonio, Cleveland, San Diego, Phoenix, Salt Lake City, Seattle, Portland, Kansas, New York, and Helena.

The Records Technical Assistance Team (Tiger Team), organized, staffed and trained since January 1984, provided valuable assistance in improving Records Management in operational conditions Servicewide, including the reduction of backlogs. The Tiger Team provided technical assistance on-site to eight field offices: Newark, Washington, New York, Los Angeles, Miami, San Francisco, Dallas and San Diego. The team visited Miami, New York and Los Angeles twice during 1985. The team provided assistance in the Records Management area; it also provided support for the Naturalization Casework Support (NACS) conversion project at selected key cities offices.

A new program that the Records Management Branch (CORMB) has been fully supporting is the Cuban Adjustment Program System (CAPS) which began operations April 1, 1985. The Records Management Branch has provided the coordination function for the processing of fingerprint checks with the FBI and field offices. The Central Office receives all fingerprint cards that relate to the Mariel Cubans for processing and forwarding to the FBI. CORMB has assigned one analyst and several clerks to support this project. These employees are responsible for keying in the system and other related CAPS functions. So far, CORMB has completed 42,483 fingerprint checks and anticipates that the project will be completed late in 1986.

The Mail and Correspondence Section has recently completed the total revision of the 1977 INS Correspondence Manual. This totally revised manual is to be used in preparing all correspondence throughout the Service. Strict adherence to the manual's instructions will assure that the Service's correspondence is cordial, responsive, correctly written and attractive, thereby greatly improving the public image of the Immigration and Naturalization Service.

The Service completed jointly with GSA a "Mail Demonstration Project" in June 1985. This project was designed to show how improved mail management can effect significant dollar savings. As part of this project, a 15 percent postage cost reduction program was initiated in 1985. This meant that the Central Office and each INS Regional and District Office was expected to reduce its postage costs by an amount equal to 15 percent of its postage costs as computed from the 1984 mail survey. A $342,000 cost savings goal was established for 1985. Also, INS proposed using a unique sampling system for determining/reporting the annual mail volume projection instead of the minimum agency sampling system directed for use by USPS. The annual projected savings was $272,000. The annual mail sampling consolidation was initiated in October 1985 and when it is completed the actual cost savings will be known.

Under Project INFORM, basic files accountability was established in the Washington District Office during the first quarter of 1984. This included the initial operation of a local prototype A-file tracking system using bar coding, the creation of new A-file folders with color-coded tabs and bar-coded A-numbers, and the conversion of the Federal Records Center (FRC) card index to machine readable form. In 1985, an improved file-tracking system was constructed and installed in Chicago. In early 1986, New York and Washington also received the new system. Files cleanup in preparation for the establishment of files accountability was completed in San Francisco, Los Angeles and Miami. Bar-coding of A-files and conversion of FRC Index Cards were completed at Seattle, San Francisco, Los Angeles and Miami.

The Quality Assurance (QA) Branch, part of the Records Program Element, was established in May 1983 to include design of quality factors to measure INS information systems and provide contractor technical support to vendors responsible for data reduction of nonimmigrant and immigrant systems. A Service QA field structure with two document control centers (DCC'S) was set up to respond to the contractor's decentralized approach to data reduction services. One DCC is located at London, Kentucky and the other is located at Riverdale, Maryland.

When a relatively new contractor defaulted on his data reduction contract during 1983, QA successfully completed negotiations and acceptance of a new data reduction services contract for the nonimmigrant arrival and departure control documents. With improved and increased contractor performance, over twelve million nonimmigrant control documents were converted and input into the Nonimmigrant Information System (NIIS). In March 1984, the long standing backlog of over three million nonimmigrant control documents was eliminated. This was truly a significant achievement, realizing that for the first time in several years the NIIS is current with nonimmigrant data available in an automated form to respond to inquiries.

In November 1985, the first of two comprehensive on-site reviews of the contractor's quality control performance of data collection, document control, and data conversion operations was completed. An extensive review of INS NIIS quality assuance on-site program was conducted and concluded. Technical Support Section systems project managers toured and were briefed on the ICP operation at Arlington, TX. Current workload volumes received and processed through quality assurance at both contractor work-sites were completed during 1985 without developing backlogs. This was a marked improvement over the previous periods.

Freedom of Information and Privacy Acts--The FOIA/PA Case Tracking System was successfully implemented in 1985 at all files control offices throughout the Service. The system, along with improved validation guidance, eliminated many non-FOIA/PA type actions (e.g., request for return of original documents such as birth and marriage certificates; Applications for Verification of Information from INS Records, G-641's; and requests from other Federal agencies) from the statistical count of FOIA/PA requests. The accuracy of reporting was greatly improved.

Two FOIA/PA training workshops were held in St. Louis, Missouri by the Central Office FOIA/PA staff. The workshops trained 53 participants.

One new Privacy Act record system was published: JUSTICE/INS-010, Freedom of Information (FOIA) and Privacy Act (PA) Case Tracking and Reporting System.

End of year backlogs were reduced 14% from the pending backlogs at the end of FY 1984.

The preliminary draft of AM 2751 (FOIA/PA) was completed and staffed with the field. It was introduced as the basic reference in FOIA/PA workshops and was well received, AM 2751 supercedes AM 2780, AM 2781, and AM 2782 as the INS basic procedual reference for FOIA/PA program implementation.

Statistics--Substantial progress was made in 1985 on completing the processing of data on immigrants, refugees, nonimmigrants, and other statistical series. This included publication of the 1982 and 1983 Yearbooks, and tabulation of much of the data for 1984 and 1985. An enhanced photo composition process, which is more efficient and results in greater quality and clarity was used to produce the statistical tables. Increased emphasis has been placed on timeliness of publications to assure that the publication schedule will be met. New quality control procedures were also instituted to improve the completeness of data collected by the Statistical Analysis Branch. A quarterly detailed report on nonimmigrants arriving in the United States was published for the first time in September 1985. This initiative has resulted in more timely statistics and the availability of more data for roughly 10 million nonimmigrants arrivals each year. In addition, the

Service funded jointly with the Bureau of the Census specific questions on the foreign-born population in the 1986 Current Population Survey. This information provides data on the growth of the illegal alien population by continuing a time-series of questions asked in similar 1979 and 1983 surveys. Finally, statisticians in the Branch published a report "Elusive Exodus: Emigration from the United States," and presented a paper "Estimates of the Maximum Size of the Undocumented Population from Mexico: June 1980".

The first year for the automated Performance Analysis System (PAS) work measurement reports was 1984. These reports were produced by a laser printer for greater readability and efficient storage. Edits were developed by the Statistical Analysis Branch to improve the quality of operations workload measurement data. In 1985 PAS requirements were developed and imple-

mented for Investigations, Anti-Smuggling, Records, Information, Inspections, Procurement and the foreign offices. This included meeting with program managers and defining new information needs, developing new input documents, writing new instructions in the Administrative Manual and implementing new edits and reporting formats. New color graphics charts were developed and produced for the quarterly Commissioner's conferences. These charts displayed the status of backlogs for visa petitions, asylum requests, naturalizations, and changes to permanent status.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	39	34	$1,807	39	34	$1,851	39	34	$1,851	...	...	...

Long Range Goal: Develop an international immigration intelligence capability for the collection and dissemination of information regarding global migration patterns and trends, and provide meaningful intelligence support on a regular basis to INS operational components for enhanced effectiveness and efficiency.

Major Objectives:

Intelligence support required for maximum operational efficiency of INS field components.

Regularly scheduled strategic intelligence assessments to INS management for consideration in short and long-term operational planning.

Liaison with appropriate U.S. and foreign government agencies on matters regarding immigration and national security, including the movement of known or suspected international terrorists.

Assistance to international immigration and enforcement agencies and international air carriers to maximize deterrence to potential illegal immigration to the U.S.

Technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of U.S. immigration laws.

Base Program Description: The INS Intelligence Program provides strategic and tactical intelligence support and technical assistance to INS policymakers and field personnel. This support enhances Service efforts to prevent the entry of illegal aliens, terrorists, and narcotics traffickers, as well as assists in the detection and disruption of alien smuggling operations and fraud schemes designed to gain Federal benefits.

Central Office Intelligence (COINT) provides operational program oversight and monitoring on a national level, maintains intelligence files, provides regular in-depth intelligence assessments and provides liaison with other agencies at the headquarters level.

The Office of Intelligence Liaison Activities at COINT maintains liaison for the exchange of information with Federal,

state and local agencies including the Central Intelligence Agency, Federal Bureau of Investigation, and the Department of State. This office also responds to requests from the foregoing agencies for information of a sensitive or national security nature which may be maintained in INS records.

The Office of Operational Intelligence at COINT provides program planning, coordination and direction to INS intelligence components on a national level, issues strategic assesaments and maintains program responsibility over INS resources and personnel at the Forensic Document Laboratory (FDL), the El Paso Intelligence Center (EPIC), and INTERPOL.

The Forensic Document Laboratory (FDL) provides scientific analysis of questioned documents and subsequent expert testimony in Federal criminal cases involving the production and use of such documents. The FDL produces working aids and develops training programs to assist INS officers in the detection of fraudulent documents, conducts surveys and research into the technical aspects of document fraud, establishes technical reference resources relating to international travel documents, and develops intelligence information regarding the technical aspects of recent document fraud schemes. The FDL also is responsible for assistance in the development in courterfeit-proof travel and identification documents.

INS continues to participate with the Drug Enforcement Administration (DEA) in the El Paso Intelligence Center (EPIC). INS at EPIC maintains databases on alien smuggling and false claims to U.S. citizenship. INS intelligence analysts provide tactical and analytical intelligence support to operational field units upon request. Additional intelligence is disseminated via periodic EPIC reports and responses to INS field inquiries. The utilization of joint intelligence efforts and the access to multi-agency information systems has proven to be a cost-effective means of producing and disseminating intelligence information.

The INS representative to the National Central Bureau (NCB) of INTERPOL became part of the Intelligence program during 1984. The INTERPOL representative enhances the international enforcement liaison capability for the Service and provides enforcement support and assistance to INS field components regarding foreign police records information.

The four Regional Intelligence Offices (ROINT) are responsible for oversight and coordination of intelligence activities and information at the regional level. These offices facilitate the information flow between field offices and between COINT and field offices. The ROINTS are responsible for the preparation and dissemination of monthly regional intelligence summaries. They also maintain liaison with Federal, state and local enforcement agencies within their regional jurisdictions, develop and provide limited intelligence training to district offices and border patrol sectors, and provide limited analytical support.

The INS Intelligence Program also maintains responsibility for the coordination of INS resources associated with the National Narcotics Border Interdiction System (NNBIS).

Accomplishments and Workload: Accomplishments of the Intelligence program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Scientific examination and analysis of Fraudulent Documents Conducted.....	38,225	45,700	50,000	63,000

Item	1984	1985	Estimates 1986	1987
INS Data Inputs Processed at EPIC.....	52,307	25,077	25,000	25,000
Queries of INS Databases at EPIC.....	30,164	30,165	29,700	29,700
Positive INS Responses Provided to Queries.....	6,670	6,177	6,000	6,000

During 1983 the INS Intelligence Program was reorganized in accordance with recommendations provided by the Justice Management Division (JMD) to ensure maximum intelligence support to all Service operational and management components. The reorganization has resulted in demonstrable management improvements in program operations and enhanced coordination of field intelligence activities.

COINT continues to produce a monthly strategic assessment of the political and economic situations in Mexico contributing to short and long-term migration from that country.

A variety of strategic assessments have been produced on a number of immigration related issues including the Sanctuary Movement, Philippine Fraud, the entry of Indian Sikhs to the U.S., and Asian Organized Crime.

A training program has been developed and initiated to instruct field intelligence officers in elements of the intelligence process and program.

INS has continued to detail intelligence officers to primary immigration source and transit locations such as India, Pakistan, Bangkok, Hong Kong, and Mexico as well as locations in Central America and the Caribbean. In each case, cooperation with foreign immigration and law enforcement officials has been strengthened and valuable intelligence on migration patterns and trends has been developed.

As a result of Intelligence Program efforts, liaison with the Canadian, British and Australian governments has been greatly enhanced, resulting in a more regular exchange of immigration intelligence mutually affecting each of these countries.

COINT has conducted training for immigration and airlines personnel in Central America and Haiti. In some cases such training has produced dramatic decreases in aliens with fraudulent documents entering the U.S. from the areas in which the training was conducted. As a result, COINT and Canadian Immigration are in the process of developing an ongoing airlines training program on document examination and detection.

INS officers continue to participate in State Department Regional consular officer conferences and fraud workshops. This enhanced interagency cooperation has greatly improved U.S. anti-fraud measures throughout the world.

The Forensic Document Laboratory workload has continued to grow due to the increased number of fraudulent document schemes uncovered by Service officers. The FDL was instrumental in the Department of Justice's case against the Nazi war criminal Valerian Trifa, the Archbishop of the Romanian Orthodox Church in the United States, who was a former leader of the fascist Iron Guard during the german occupation of Romania in the Second World War.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research and Development.....	2	2	$535	2	2	$537	2	2	$537	...	...	...

Long Range Goal: Increase INS' capability to rapidly, reliably, safely, and economically detect and apprehend illegal entrants at the border before they move into the interior. Develop a formal method for more accurately estimating total intrusions into the U.S. between ports of entry. Improve secure documentation techniques supporting the immigration processes.

Major Objectives:

Research, develop, apply, and evaluate surveillance technology and systems to more effectively cover thousands of miles of border with emphasis on automation, reliability, and low cost.

Determine, develop and apply new techniques for improving resistance to fraudulence in documents and in their distribution.

Develop a formal method to improve estimation of illegal immigration flow between ports of entry.

Provide liaison with the Federal, industrial, and university research and development community to stimulate and maintain activity in technology relevant to major issues and high priority interests of INS.

Base Program Description: The Research and Development staff defines problems, develops concepts of technical solutions, fabricates laboratory models of solutions, designs and implements tests and evaluations of potential solutions, directs contractors, initiates and directs interagency technical programs, and provides technical consulting to the Central Office and operating groups.

The objectives of the program are being pursued through technical in-house, contract, interagency agreement and information interchange activities. These activities cover sensors, signal processing, radar, infrared imaging, low light level video, communications, computers and data processing, automatic controls, digital and analog techniques, pattern recognition, airborne platforms, simulation, test and evaluation, and systems analysis.

Accomplishments of the Research and Development program:

In 1984, the fabrication and installation of an imaging and automatic control system for border surveillance was completed. It now serves as a test bed to empirically determine the effectiveness and cost of imaging and automation to support linewatch under varying terrain, weather, and other operational conditions.

Tests of the initial configuration of a low light level TV system, designed to help control intrusions in cities and rural areas, were concluded. The system and supporting instrumentation have been established to serve as a test bed for new law

enforcement concepts and techniques. During the second quarter of 1985 the Research and Development office, in conjunction with the Electrical Engineering Department of the University of Texas at El Paso, completed data collections and analyses and prepared a report of these analyses, with conclusions and recommendations. The report includes an evaluation of the operational effectiveness of the initial configuration, suggested guidelines for selecting systems and standards of performance, and recommended follow-on research efforts.

A final evaluation of a long-line sensor system, developed by the Air Force, was completed. This 2-mile system, known as the Ported Coaxial Cable Sensor System (PCCS), was tested in the field over a two-year period. As a result of conclusions drawn from test data and analyses, new PCCS concepts are being explored and evaluated for greatly expanding the detection capability and reducing the cost of long line systems such as the PCCS.

The technical results of extensive INS research of an automatic technique for detecting individuals concealed in enclosed spaces were reviewed. This research covered concealments in large vehicles such as tractor-trailers and railroad cars, as well as rooms in buildings. A field test was performed and the data evaluated in conjunction with prior research documentation. The objectives of this review were to determine if a device could be immediately used to support traffic checkpoints and ports of entry and whether further research was warranted. A draft report has been completed which includes recommendations for short-term applications and long-term research.

A final report on the feasibility of a battery-less, low-cost sensor for detecting footsteps of intruders was completed. The report was reviewed by a multi-agency Technical Advisory Committee. The results showed that while further improvements in technology are needed, some limited applications appear possible now. The long-range goal for an ideal battery-less sensor is a very cheap sensor which requires no battery change, eliminating the risk of revealing its location during maintenance.

INS, the Defense Advanced Research Projects Agency, and the Army's Night Vision Laboratory initiated a joint R & D project in October 1984 to create and prove the feasibility of new designs and fabrication techniques in infrared imaging which could lead to wider applications for law enforcement and military operations at greatly reduced cost. Unusual successes in uncooled detectors was realized, speeding up the first phase of the project (planned for one year) by six months. If the research in uncooled detectors proves successful, then a major new milestone in support of border control, as well as military surveillance capabilities, will have been achieved.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering...	17	19	$6,089	17	19	$6,226	17	19	$6,226	...	...	...

Long Range Goal: Provide adequate facilities for all INS operating units so that they can fulfill their requirements to administer the Immigration and Nationality Act and to provide maximum service to the public.

Major Objectives:

Construct, alter and maintain adequate, attractive facilities required by the operating elements to perform effectively.

Develop a facilities management information system to meet external and internal facilities management information requirement.

Maximize savings by constructing energy conserving structures.

Provide facilities easily accessible to the physically handicapped.

Make sure that INS facilities meet the latest technology and code requirements such as OSHA health and safety requirements.

Provide support for INS long-range goals and strategies related to the design of Federal inspection service facilities at all airports within the United States as well as overseas.

Provide support to INS long-range goals and strategies intended to provide a better work environment throughout INS.

Help INS operating elements obtain, justify and monitor Servicewide space programs.

Base Program Description: Construction and Engineering performs the administrative functions related to the INS space and facilities requirements, provides design and construction capability for alteration of existing and new facilities, and plans and implements the energy conservation program and facilities for the handicapped program.

Work is performed in the Central Office with input from the field offices and the use of contractors for design and construction. Multi-year funding is required for new construction. The first year funding is for land procurement and design by an architect/engineer; the second year is for construction of the facility.

Space is acquired through the General Services Administration (GSA), by INS lease, by INS owned construction, by joint INS/Customs Service construction and through assignment by airport authorities. New inspection facilities are coordinated as necessary with the Customs Service, Public Health Service, Department of Agriculture, GSA, state, county, local, airport and foreign authorities. Office space requirements are coordinated with GSA. The development and support for the design of facilities, using quality of life office systems techniques and visual identification aids, are being actively pursued.

Accomplishments and Workload: Accomplishments of the Construction and Engineering program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Major New Construction Projects	11	10	6	6
Review Federal Buildings Fund	354	354	357	357
Building Audits	40	35	40	40

536

Item	1984	1985	Estimates 1986	1987
G-68 - Alterations/Repairs	125	155	160	160
Airport Projects	20	15	15	17
SF-81/144 (Request for Space) sent to GSA	80	82	75	75

* Verification of Quarterly GSA billings for all facilities Servicewide to determine accuracy.

1985--

* Automated Facility Management System (FRANCS) pilot program completed.

* Automated microfilm drawing file system. Microfilming is completed and contractor was advised of inadequacies. Project completed this fiscal year.

* The following major new construction projects have been completed:

  a. El Cajon border patrol station

  b. Chula Vista staging area. Border patrol station activated in June 1985.

* The INS space standards program was established and completed.

* Initiated modifications to upgrade the public access areas in INS district offices participating in Key Cities Program; items such as seating, counters and super graphics have been developed for the modifications to these offices. The following offices were involved:

  a. Los Angeles, California

  b. San Francisco, California

  c. Miami, Florida

  d. Chicago, Illinois

  e. New York, New York

  f. Washington, D.C.

* Krome, Florida, Service Processing Center. The following renovations were completed, and accepted. Occupancy has taken place.

a. New kitchen, medical building and receiving barracks, mental health building, additional toilets and showers, laundry rooms and equipment, and storage building and entrance station.

b. Wastewater treatment system.

c. High mast lighting.

- Seven site surveys were completed for the placement of trailers. These trailers were needed to provide additional space for border patrol agents acquired in the 1985 Enforcement Enhancement.
- Awarded construction contract for Broadview, Illinois, staging facility.
- Awarded design contracts for the following major new construction projects:

  a. Ajo, Arizona, border patrol station

  b. Douglas, Arizona, border patrol station

  c. Naco, Arizona, border patrol station

  d. El Paso, Texas, border patrol station

  e. Imperial Beach, California, border patrol station

1986—

- Expand the Automated Facility Management System (FRANCS) to include owned, leased and GSA space and perform budget functions.
- Complete supplemental space standards for INS Servicewide implementation.
- Automate space allocation standards for use by all INS offices in preparing space requests.
- Implement Servicewide housing rental rate automated system.
- Enhance waiting/information areas in the new Washington District Office and the Newark District Office to improve the image of the Service—one of the Service's 1986 priorities.
- Relocate Washington District Office and upgrade the image of the office through design, new furniture and equipment.
- Relocate Kansas City District Office.

- Relocate Western Regional Office to Laguna Niguel.
- Supervise construction phase of Broadview, Illinois, Service Processing and Staging Facility.
- Activate automated microfilm drawing filing system.
- Automate Master Specification for use by Engineering Branch.
- Krome, Florida, Service Processing Center:
  a. Completion of minor punch list items from major rehabilitation project completed in 1985.
  b. Negotiate and award professional services design contract for Phase III construction work.
- Supervise construction of new Miami Border Patrol Sector Headquarters through leaseback.
- Florence, Arizona, Service processing and staging facility:
  a. Design and construct major kitchen renovations.
  b. Provide a new fire and smoke detection system.
  c. A site wide lighting system.
- Port Isabel, Texas, Service processing and staging facility:
  a. Complete a major housing rehabilitation project.
  b. Design and construct new medical and laundry facilities.
  c. Award a design contract and prepare construction documents for modifications to the wastewater treatment system.
- Complete designs and award construction contracts for projects:
  a. Ajo, Arizona, border patrol station
  b. Douglas, Arizona, border patrol station
  c. Naco, Arizona, border patrol station
  d. El Paso, Arizona, border patrol station
  e. Imperial Beach, California, border patrol station

- Provide assistance in the development of Federal Inspection System facilities throughout the United States in major airports.

- Procure land and award design contract for Potrero, California, border patrol station.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field Management & Support.....	305	287	$13,988	305	287	$14,328	305	287	$14,328	...	...	...

Long Range Goal: Provide day-to-day management direction to field units that implement major policy and management decisions for more than one program.

Major Objectives: Ensure effective law enforcement and uniform implementation of INS policy, procedure and operational goals; provide efficient service to the public and devise techniques and procedures for responding to regional and local conditions and circumstances. Currently, all mission planning is predicated on accomplishing goals within the resources available to INS.

Base Program Description: Field Management and Support is responsible for providing line management and staff support for the implementation and operation of the field activities and functions associated with the INS mission of controlling and facilitating immigration, nonimmigrant foreign travel and citizenship. It includes managers and supervisors who are charged with responsibility for and authority over multiple programs, where more than one decision unit exists, at field locations.

Accomplishments of the Field Management and Support program:

This program was previously performed under the Executive Direction and Control decision unit. Since the decision unit provides top management direction and support services to field offices, most accomplishments are reported by the operational programs for which they are responsible. Measurable work is likewise reported. The measuring instrument used for this program is the feedback received from the managers at the Central and Regional Offices, DOJ, OMB and Congressional delegations and INS employees at all levels.

Major accomplishments under the direction of this program were the establishment of a remote adjudications center, implementation of an up-front adjudications program and development of a regional productivity system. Specific accomplishments of the program personnel are not quantifiable since this program is made up predominately of top management officials and their support staff located at the many INS field offices. These officials oversee all facets of INS operations.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings.....	238	215	$11,655	238	219	$12,021	238	219	$12,021	...	...	...

Long Range Goal: Provide legal representation for the U.S. Government in all cases and matters arising before Immigration Judges and the Board of Immigration Appeals, provide representation for INS in all other contested administrative hearings in which the agency is involved; provide legal advice and support to INS operating personnel on all legal matters and provide litigation assistance in all INS cases being litigated in the Federal courts.

Major Objectives:

Try exclusion and deportation cases expeditiously.

Provide prompt and professional representation for INS at all other administrative hearings.

Provide legal counsel to INS officers operating in the field.

Provide more litigation assistance and achieve more successful results in Federal court litigation involving INS.

Base Program Description: INS attorneys represent INS before Immigration Judges, the Board of Immigration Appeals, the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and Boards of Contract Appeals. Attorneys provide litigation support in agency litigation being conducted in U.S. District Courts, Courts of Appeals, and the Supreme Court. Attorneys also advise the Central Office, Regional Commissioners, District Directors, and Border Patrol Sector Chiefs regarding legal problems arising at all levels of agency operations.

In 1986, the Congress provided $559,000 and 16 positions to staff the Oakdale Alien Detention Center. Legal Proceedings provides attorney and support staff for this facility in order to complete case preparations so that the flow of aliens can be expedited, while at the same time assuring due process. Without attorney support, Oakdale would fill up and basically be wasted by a slow case processing rate.

Accomplishments and Workload: Accomplishments of the Legal Proceedings program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Workload Demand Estimates				
Trial Attorney Appearances.....	157,242	182,152	175,000	175,000
Workload Production Estimates				
Cases Prepared.....	136,483	159,239	150,000	150,000

Item	1984	1985	Estimates 1986	1987
Preparation of Legal Briefs	9,542	8,258	11,000	11,000
Legal Consultation — Litigation	41,309	54,970	50,000	50,000
Legal Consultation -- INS Branches	52,853	69,333	55,000	55,000
Collection of overdue debts	2,236,055	2,600,000	2,000,000	2,000,000

The Legal Proceedings program has undergone a radical transformation within the past four years. Prior to that, most of the attorney time available to the Service was devoted to processing routine naturalization applications. Legal policy, to the extent it existed, was inconsistent. Failure to appeal or adequately represent the Service's position in major cases led to a pattern of adverse court decisions which buffeted the Service, causing major disruptions to operations, and costing the taxpayers many millions of dollars. The Office of the General Counsel has moved aggressively on many fronts to correct these problems, prevent their recurrence and launch new initiatives.

- Productivity improvement. In 1981 there were 1,222 appearances and 1,113 cases prepared per attorney. In 1984 this had increased to 2,302 appearances, up 88 percent, and 2,004 cases prepared, an increase of 80 percent.

- Consolidation of Attorney Functions. In the past, the majority of INS attorneys devoted their time to the routine processing of naturalization cases, while real legal work was left undone. This has been stopped and all attorneys now perform attorney work.

  To accomplish this consolidation and overcome organizational resistance, the General Counsel met with each attorney in the Service including both "trial attorneys" and "naturalization attorneys". The need for and benefits of the consolidation were explained. Some attorneys resigned or retired rather than participate. Those who remained formed the core of a much stronger legal program.

- Recruiting has been improved. INS has assumed a major role in the Attorney General's Honor Law Graduate Program. In 1984, 221 individuals at more than 40 top law schools were interviewed. Some 29 of these graduates have been hired over a two year period. A substantial number of these have been on a law journal or moot court, and in the top third of their class.

  Equal employment objectives were also furthered by this effort. Twenty-one percent of those hired were minorities, and forty-eight percent were women.

- Relations with U.S. Attorneys have been improved. Throughout its history INS has faced severe difficulties in obtaining the support of U.S. Attorneys in INS civil and criminal cases. The Office of the General Counsel has substantially improved this situation by conveying the importance of the INS mission at U.S. Attorney conferences throughout the country, and by meeting with U.S. Attorneys in key cities. INS-employed Special Assistant U.S. Attorneys have been established in 19 offices. The benefit of this effort can be seen in the fact that felony convictions have increased by 39 percent. The denial of Habeus Corpus petitions has increased dramatically (100 percent in New York City), for example, and the number of injunctions against INS actions and operations has decreased.

- Bad debts are being collected. In 1982, INS collected $190,000. In 1985, INS collected $2,700,000. The General Counsel has developed and recommended two innovative steps in the debt collection area; new surety regulations (8 CFR 103.6) and a "Transportation Agreement" which would revitalize and update existing agreements with transportation carriers. It would correct deficiencies in the collection of fines for "transits without visas" aliens, 31 Act Overtime and fines that now exist. Two major debt collection litigation cases are now in discovery stages, with a possible collection of $20,000,000. We are also actively assisting operating divisions to improve their debt collection activities.

- Undesirable Cuban aliens are repatriated. The cost savings of removing these aliens from American jails and penetentiaries has been estimated at $41 million. The Office of the General Counsel was represented on the negotiating team which caused Cuba's agreement to accept the return of the undesirables. If the Government of Cuba reinstitutes the repatriation agreement, INS will detail 12 attorneys to the Office of Immigration Litigation in Washington, D.C. to assist in preparing a potential 1,500 habeus corpus cases involving Cuban detainees, and additional attorneys to the Atlanta Penetentiary for alien processing. In addition, INS attorneys will be detailed to state and local prison facilities throughout the country to prosecute exclusion hearings for the criminal Marielitos incarcerated in these facilities.

- Haitian exclusion cases are being processed. A court order by a Florida Judge placed INS in a seemingly impossible situation: all of the Haitians in exclusion cases must be represented by pro bono attorneys, but the few such attorneys in the area were inundated by the volume of cases they had already accepted. A training program was developed in conjunction with the American Immigration Lawyers Association (AILA) and INS traveled throughout the country with a training program for pro bono attorneys. In all, 1,760 individuals were represented in what became the largest pro bono program in the history of the U.S. bar. Afterwards, 26 litigation task forces were created and trained in order to present a litigation posture that was coordinated, consistent, aggressive, accurate, and fair.

- Class action suits involving El Salvadorans are being contested. Four separate class action suits involving El Salvadorans have been filed against INS. Temporary injunctions resulting from these suits have caused a substantial increase in paperwork for INS officials as well as a substantial increase in detention costs for aliens filing frivolous applications for asylum. A task force comprised of attorneys from INS, the Office of Immigration Litigation and the U.S. Attorney's Office was set up to deal with these cases. In one case, Orantes-Hernandez v. Smith, taking and defending of depositions from over 50 INS officers was required.

- Interaction with clients has been improved. Attorneys have moved into the mainstream of Service operations as the benefits of their involvement were communicated to program managers, regional commissioners and district directors. At the same time the attorneys became better informed about the operational needs of the Service.

- Operations personnel have received better training. Serious legal problems can result when INS operating personnel enter into decisions or enforcement situations with inadequate legal preparation. The Deputy General Counsel personally conducts much of the journeyman training on legal issues, and in so doing receives direct feedback on current procedures and problems in the field. One result of this feedback was the preparation of a revised and more relevant field operations manual for INS officers.

- Major cases have been won. Cases involving "sanctuary", the legality of INS enforcement operations, and interpretation of the immigration laws have been won. The success of these cases has helped preserve INS' ability to control immigration

59-584 O—86——18

in accordance with the wishes of Congress. Eleven major cases have been brought before the Supreme Court, and all eleven have been won. The attorneys in Legal Proceedings have prepared briefs and other legal memoranda which have been used by the Solicitor General as the legal basis in these cases.

Activity: Program Direction	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction and control	170	169	$8,454	170	169	$8,695	170	169	$8,695	...	...	...
Administrative services.....	398	405	24,871	398	405	26,092	398	405	26,092	...	...	...
Total.....	568	574	33,325	568	574	34,787	568	574	34,787	...	...	...

This activity provides for the overall administration and management of the Service.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction & Control...	170	169	$8,454	170	169	$8,695	170	169	$8,695	...	...	...

Long Range Goal: Increase the effectiveness of INS through the use of Mission Plan goals and strategies; formulate and coordinate meaningful and consistent policy; provide program direction throughout all levels of the INS; and evaluate policy with a view toward recommending practical changes.

Major Objectives:

Provide for continuity, coordination and control of the overall management and administration of INS;

Direct Servicewide policy and implementation responsibilities;

Improve agency responsiveness through continued enhancement of management systems including:

- maintaining and refining delegations of authority and requirements for accountability for national policy direction, for regional implementation and district and sector execution, including appropriate control of resources;
- continuing to emphasize and institutionalize INS' Management by Objectives (MBO) system with further integration between mission and priority planning and systems of resource allocation and control;
- continuing rapid development of information systems to meet the needs of INS management and national immigration policy formulation;

Maintain readiness for implementation of major immigration reform legislation; and

Increase leadership in the formulation of national immigration policy.

Base Program Description: This decision unit addresses the maintenance and enhancement of the capacity for responsive, consistent and effective overall direction of the agency in a situation of expanding workload, rapidly emerging challenges to national immigration policy and increased expectations for the control of immigration, service to the public and resource restraint.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Congressional Affairs:				
Telephone inquiries	32,890	25,071	30,000	30,000
Written inquiries	4,306	4,186	5,200	5,200
Telephone replies	45,547	37,048	42,000	42,000
Written replies	4,664	6,123	7,000	7,000
Professional Responsibility:				
Major cases received	324	353	450	530
Major cases completed	250	247	250	250
Significant dispositions criminal	25	21	35	45
Major adverse actions	40	20	45	50
Six month backlog	30%	40%	50%	60%
Field Inspections and Audit:				
Field Inspections and audit reports demand	22	26	20	22
External audit reports demand	7	6	10	10
Field inspections and audit reports production	22	26	20	22
External audit reports production	7	6	10	10

Major areas of emphasis have been improved and more effective management of the agency and enhanced operational effectiveness through the concentration of effort on high priority activities and leadership for national immigration policy. Improvements in the organization of the agency's management and decision processes have been expanded by clear structuring of the roles and responsibilities of line and program managers, supported by institutionalizing management by objectives, which now implements strategic planning through annual priority objectives integrated with resource planning allocations. Progress in control of the border will continue based on direction of carefully coordinated multi-program resource acquisition and corresponding program development for the Southern Border. Management direction has also insured progress in the Service's broad policy renewal approach to effect the detention and removal of illegal aliens, including aggressive and consistent litigation. This strategy is now supported by the completed implementation of a centrally managed

organizational structure for INS attorneys. Consistent and comprehensive action for improved service to the public has been initiated and coordinated to reconfigure programs and practices, and concentrate resources to eliminate backlogs and provide to those who operate within the system.

Executive attention to the automation of information and records, so long a problem at INS, has begun to produce concrete results and will lead to further major improvements both in technical management for accelerated acquisition and implementation and in operational program development to fully utilize these new information resources. Management emphasis across the spectrum of INS programs related to proposed reform legislation has produced and now maintains the Service in a posture to effectively implement the new law when enacted.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	398	405	$24,871	398	405	$26,092	398	405	$26,092	...	...	...

Long Range Goal: Provide the full-range of administrative support services to all INS units on a timely basis in compliance with laws, policies, and external and internal requirements.

Major Objectives:

Personnel and EEO support services and program direction on a timely basis.

Accounting support services and program direction on a timely basis.

Property management, procurement support and program direction on a timely basis.

Overall management direction and control for all management programs and the full-range of security, safety and health support activities.

Base Program Description: Administrative Services is responsible for the development, implementation, direction, evaluation and operation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. The major functions within this program include: personnel; accounting; EEO; procurement and property management; fleet management; security and health; A-123 program; and other miscellaneous general services, which serve all programs within INS.

Organizationally, objectives are accomplished through policy development, coordination and control at the headquarters level with delegation of authority to the field as needed to meet management requirements. The accounting, personnel and general services (Procurement and Property Management) components have operating units in the Central Office and counterparts in the four regional offices. Management analysis activity in the regional offices is performed by employees of other

programs as a collateral duty. Field activities below the regional level are generally performed by personnel assigned to the field management decision unit and other programs at these locations who devote all or a portion of their time to administrative support services.

Accomplishments and Workload: Accomplishments of the Administrative Services program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Personnel Actions	68,871	56,215	67,458	80,949
Position Reviews	6,063	3,393	3,732	4,105
Disciplinary Actions	407	429	472	520
Incentive Awards	2,259	1,648	1,813	994
Transactions Keyed	821,335	790,057	790,000	790,000
Bills	51,611	79,782	84,000	88,000
Vouchers	131,000	150,612	158,000	166,000
Collection of Fines, Fees, etc. (000's)	59,046	57,000	60,000	60,000
Complaint Resolution and Depositions	236	246	246	271
INS Practices Revised or Corrected	62	65	69	81
Program Management, Recruiting Activities and Training	860	437	450	450
EEO Evaluations and Assistance to Management Officials	151	334	306	306
Notices, Memoranda and Letters Issued	3,025	6,600	6,900	6,700

Management Direction (Security, Safety and Health) —

Published INS Safety and Occupational Health Policy.
Developed National Security Information refresher training program to be conducted in the regions.
Developed and executed training program for regional and field office security officers.
Published INS policy implementing E.O. 12356, National Security Information.
Published INS policy on the Control and Protection of Limited Official Use Information.

Procurement and Property —

Automated the Property Management System Servicewide.
Implemented a national accounts vehicle maintenance program.
Initiated an INS credit card ordering system for vehicles.
Completed Vehicle Maintenance Study.
Established Voice Communication Unit.
Awarded ACQ II Hardware contract.
Developed standardized seized vehicle contract for use Servicewide.
Established basic Servicewide policies for detention facility contracts.
Developed draft solicitation and contract materials for Service construction contracts.

Equal Employment Opportunity --

Increased minority and female representation in the GS/GM workforce by 1.8 percent and 2.5 percent respectively.

With an on-board increase of 730 border patrol agents, EEO focused recruiting produced minority and female applicants to increase the representation of Blacks, Hispanics and women in this occupation.

Significantly reduced the cost of automated retrieval of EEO data by implementing regional access to database while increasing available data outputs for use by regional management.

Increased the minority and female workforce representation in four of the six Affirmative Action Program Plan target occupations.

Management efficiencies implemented in 1985 handled a 19 percent increase, over the 1984 level, of complaints filed with the INS without staff or resource increases.

Continued to provide management with advice and assistance whereby EEO program initiatives supported the accomplishment of six of the Service program priorities.

Provided advance EEO Training for 45 EEO Counselors and Basic EEO Training for 30 EEO Investigators.

Continued to streamline the processing of complaints as outlined in 29 CFR.

Accounting --

Developed and implemented an automated Standard Form-133 "Report on Budget Execution", Standard Form-225 "Report on Obligations", Treasury Fiscal Service-2108, "Year-end Closing Statement", and Standard Form-220, "Statement of Financial Condition" improving report submission and response time to the Department, Treasury, and OMB.

Established accounts and implemented automated procedures for accounting of Allowance for Uncollectible Accounts and Uncollectible Accounts Expense.

Finalized specifications or the automated 1931 Act Billing System to meet Servicewide applications.

Implemented programs and procedures which reduced cash travel advances, billing for transportation services and increased charges to airlines for excess costs of preclearance inspections.

Personnel --

Provided personnel management advice and assistance in carrying out Service program priorities and initiatives, including assisting INS management in: (1) maintaining high staffing levels in the Border Patrol program and enhancing the Inspections efforts to meet Border Enforcement Initiatives; (2) supporting efforts to improve the quality and professionalism of

employee services to the public; and (3) participating in efforts to streamline administrative services.
Continued expansion of automated data gathering capabilities to streamline personnel functions and automate workload to improve personnel services and support to program managers.

Continued negotiations with the National Border Council and the Federal Impasses Panel to resolve disputed contract items.

Streamlined and continued monitoring of personnel security requirements for new hires and ADP and other contract services including implementation of an automated personnel security tracking system (PERSECS) Servicewide.

Implemented the pay and performance appraisal provisions of the new Performance Management and Recognition System (PMRS) for GM-13 through GM-15 managers and management officials.

Immigration and Naturalization Service

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Amount	Construction Fiscal Year	Amount	Total Funding	Total Current Cost Est. or Actual	Current Status - January 1986: Oblig. to Date	Stage of Programs	Estimated Completion Date	Estimated Activation Date
* Under construction or fully funded:										
1. Ajo, AZ. Border Patrol Station	1985	$86	1985	$811	$897	$897	$89	Construction Drawings in Progress	5/87	5/87
2. Naco, AZ. Border Patrol Station	1985	70	1985	547	617	617	71	Construction Drawings in Progress	3/87	3/87
3. Douglas, AZ. Border Patrol Station	1985	102	1985	1,002	1,104	1,104	103	Construction Drawings in Progress	3/87	3/87
4. Imperial Beach, CA. Border Patrol Station	1985	130	1985	1,388	1,518	1,518	170	Construction Drawings in Progress	4/87	4/87
5. Potrero, CA. Border Patrol Station	1985	182	1985	889	1,071	1,071	11	Original Site Not Suitable For Constuction. New Site Acquisition in Progress. Once Site is Acquired, Design and Construction Estimated to be Complete Within 17 Months of Site Acquisition Date.		
6. El Paso, TX. Border Patrol Station	1985	188	1985	2,403	2,591	2,591	189	Construction Drawings in Progress	1/87	1/87

Immigration and Naturalization Service

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Decision Unit: Data & Communications Systems		Total	
	Pos.	Amount	Pos.	Amount
Travel	...	$100	...	$100
Printing & reproduction	...	50	...	50
Other services	...	850	...	850
Total workyears and obligations, 1987	...	1,000	...	1,000

Immigration and Naturalization Service

Salaries and expenses

Status of Congressionally Requested
Studies, Reports, and Evaluations

1. The Conference Committee Report 99-414 required the Immigration and Naturalization Service to undertake a thorough review of its ADP modernization program and to share the results with the General Accounting Office and appropriate Committees of Congress. The Data and Communications program has been assigned this task. The Immigration and Naturalization Service has entered into an interagency agreement with the Federal Computer Performance Evaluation and Simulation Center (FEDSIM). Under this agreement FEDSIM will perform an analysis and evaluation of alternative systems architectures. Each alternative will address ADP equipment, systems and applications software, and data communications. FEDSIM began work on February 3, 1986. The effort will span 34 weeks and is scheduled to be completed the week of September 22, 1986.

   In performing the analysis of architectural alternatives FEDSIM will perform the following tasks: Identification of Objectives; Definition of constraints and assumptions; Definition of evaluation criteria; Document information flows and workloads; Define alternative architectures and implementation approaches; Model alternatives; Develop cost analysis of alternatives; Compare alternatives and recommended architecture; and Produce final report.

2. The Senate Appropriation Committee Report 99-150 required the Immigration and Naturalization Service to submit a report by December 30, 1985, detailing in full the statutory authority, interpretation thereof and implementing regulations which the INS relies upon as a basis for requiring air carriers to assume the responsibility of excludable aliens for extended periods of time. The Detention and Deportation and the Inspections programs were assigned this task. This report was submitted to the Committee on October 25, 1985.

3. The Senate Appropriations Committee Report 99-82 required the Attorney General, in consultation with the Secretary of Labor and the Secretary of Health and Human Services to conduct a study to evaluate the use of a telephone verification system for use by the Department of Justice in determining employment eligibility in the United States. The study shall concentrate on those databases that are currently available to the Federal Government which through the use of a telephone and computation capability could be used to verify instantly the employment eligibility status of job applicants. The Investigations program of the Immigration and Naturalization Service has been assigned this task. An initial meeting has been conducted with representatives from the Department of Health and Human Services. Agreement was reached on the method by which the study would be conducted.

Immigration and Naturalization Service

Salaries and expenses

Priority Rankings

Base Program		Program Increases	
Program	Ranking	Program	Ranking
Inspections	1	Data and Communications Systems	1
Border Patrol	2		
Adjudications and Naturalization	3		
Information and Records Management	4		
Detention and Deportation	5		
Legal Proceedings	6		
Data and Communications Systems	7		
Investigations	8		
Administrative Services	9		
Executive Direction and Control	10		
Field Management and Support	11		
Anti-Smuggling	12		
Training	13		
Construction and Engineering	14		
Refugee and Overseas	15		
Intelligence	16		
Research and Development	17		

Immigration and Naturalization Service

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Increases	1987 Total
Attorneys (905)	280	291	...	291
Paralegal Specialist (950)	41	41	...	41
Other Legal and Kindred (900-998)	427	432	...	432
Contact Representative (962)	295	295	...	295
Detention and Deportation Officer (1801)	817	846	...	846
Criminal Investigators (1811)	1172	1172	...	1172
Immigration Inspectors (1816)	1944	1994	...	1994
Border Patrol Agents (1800-1899)	3232	3232	...	3232
Other Miscellaneous Occupations (001-099)	6	6	...	6
Social Sciences, Economics and Kindred (100-199)	27	27	...	27
Personnel Management (200-299)	159	159	...	159
General Administrative and Clerical (300-399)	2598	2548	...	2548
Port Receptionists(310)	3	3	...	3
Accounting and Budget (500-599)	134	134	...	134
Medical, Dental and Public Health (600-799)	9	9	...	9
Engineering and Architecture (800-899)	123	123	...	123
Information and Arts Group (1000-1099)	30	30	...	30
Business and Industry Group (1100-1199)	37	37	...	37
Physical Sciences Group (1300-1399)	3	3	...	3
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Equipment Facilities and Service (1600-1699)	25	25	...	25
Education Group (1700-1799)	4	4	...	4
Supply Group (2000-2099)	52	52	...	52
Border Patrol Pilots (2181)	76	76	...	76
Transportation (2100-2199)	9	9	...	9
Other (WG)*	145	145	...	145
Total	11,649	11,694	...	11,694
Washington	1,090	1,065	...	1,065
U.S. Field	10,325	10,395	...	10,395
Foreign Field	234	234	...	234
Total	11,649	11,694	...	11,694

* Janitorial/maintenance and Foreign service locals

Immigration and Naturalization Service

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	11,694	11,767	$593,800
Adjustments to base:			
Savings resulting from management initiatives	...	-42	-482
Total adjustments	...	-42	-482
Uncontrollable increases:			
Annualization of additional positions approved in 1986	...	36	969
Within-grade increases	...	...	3,174
Health benefits costs	...	...	364
Federal Employee's Compensation Act (FECA) - Unemployment Benefits	...	...	649
GSA Rent	...	...	4,051
General Services Administration (GSA) recurring reimbursable services	...	...	200
Postal Service increases	...	...	441
Telephone system line charges	...	...	162
Departmental printing and reproduction costs	...	...	25
GPO printing cost	...	...	221
General pricing level adjustment	...	...	3,998
Foreign allowances	...	...	310
Distributed Administrative Support	...	...	51
FLETC cost increases	...	...	1,400
Overseas	...	...	12
Total, uncontrollable increases	...	36	16,027
Decreases:			
Federal Telecommunications System (FTS)	...	...	-442
Nonrecurring costs for full-field investigations	...	...	-131
Nonrecurring costs for equipment	...	...	-64
Nonrecurring costs for motor vehicles	...	...	-315
Total, decreases	...	...	-952
1987 Base	11,694	11,761	608,393

Immigration and Naturalization Service
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Total FTE	Budget Auth.
Savings resulting from management initiatives:			
1. Management and productivity savings	...	-42	-$482

This initiative will achieve a 42 workyear savings by utilizing commercially available vehicle maintenance services. Open market competition should yield lower cost on commonly required general maintenance and repairs. This reduction is in conformance to the Administration's initiative to achieve production improvements in government agencies.

Uncontrollables increases:				
1. Annualization of additional positions approved for 1986	...	36	969	

	Approved 1986 Increases	Annualization Required
Annual salary rate of 95 Approved positions	$2,260	...
Less lapse	790	$790
Net compensation	1,470	...
Associated employee benefits	391	179
Total costs subject to annualization	1,861	969

2. Within-grade increases	...	...	3,174

This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $2,917,000 and benefits $257,000 = $3,174,000).

	Perm. Pos.	Total FTE	Budget Auth.
3. Health benefits costs	...	...	$364

The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 18.2 percent due to both carrier rate increases and charges in enrollment plans. The requested increase of $364,000 provides funds for increased costs from pay period No. 2 to pay period No. 3 projected for 26 pay periods.

4. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	649

This increase reflects the billing provided by the Department of Labor for the actual costs of 1985 of employee' accident compensation. The 1987 amount will be $649,000 over the 1986 base.

5. GSA Rent	...	...	4,051

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. Are uncontrollable increase of $4,051,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

6. GSA recurring reimbursable services	...	...	200

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $200,000 over 1986 charges.

7. Postal Service increases	...	...	441

In 1985 the U.S. Postal Service was granted a 10 percent rate increase of postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $441,434 provides for a 10 percent increase over the 1985 budgeted base of 4,414,340.

	Perm. Pos.	Total FTE	Budget Auth.
8. Telephone system line charges	...	...	$162

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and data Private Branch Exchanges (PBX). Funding of $162,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connectorlines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million would be included in the FY 1989 request.

9. Departmental printing and reproduction costs	...	...	25

The Department is currently projecting a 5 percent increase over the 1986 printing cost of $496,614. An additional $24,831 will be required in 1987.

10. GPO printing cost	...	...	221

The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $3,683,892. An additional $221,034 will be required in 1987.

11. General pricing level adjustment	...	...	3,998

This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.

GENERAL STATEMENT

Mr. EARLY. We are pleased to have Mr. Alan C. Nelson, Commissioner of the Immigration and Naturalization Service with us to present this budget request. Mr. Nelson, proceed with your statement in whatever manner you so desire.

Mr. NELSON. Thank you, Mr. Chairman, and Mr. Dwyer.

With me at the table here is Malcolm Arnold, our Comptroller, and I have a number of our staff people here to respond to any questions you might have.

I might submit our written statement for the record and I will summarize it.

Mr. EARLY. That is fine.

Mr. NELSON. We are appearing here today before your committee in regard to the support of the FY 1987 budget request for $609,393,000 and 11,694 positions for the INS. This budget is in line with the President's commitment to reduce the deficit but also to continue to support essential government programs handled by the INS.

This is a current services budget, with the one addition of some inflation increases but the one program addition of $1 million to expand the very successful Systematic Alien Verification for Entitlements program known by the acronym SAVE. As indicated, there are no resources in this request for immigration reform. Of course, we hope the Congress will pass immigration reform and any resources that would be part of that.

In addition, as we note at the top of page 2 of my prepared statement, we have made a number of reductions in the past several years, Grace Commission reductions of about $6,400,000, 200 positions and other management improvements that are underway. We are also proceeding with the A-76 procedures for certain contract-out procedures which we think have been and will continue to be effective. We think we have a very good record in this past year and the years before in improving our output in productivity. I might touch on a few view of those.

INSPECTIONS PROGRAM

In the Inspections program, the people at our land and seaport areas have made some significant improvements, one of which is the Inspections Prosecution program which gives our border inspectors a greater role in the inspection and prosecution of people with fraudulent documents. We have had a 90 percent conviction rate.

VEHICLE SEIZURE

Likewise, with the Vehicle Seizure program, we have had an increase there of seizure of vehicles at ports of entry.

As indicated at the top of page 3, the Fraud Intercept Task Force program has been effective. Clearly, the use of fraudulent documents is a problem and will continue to be a problem. We have improved, we think, procedures in that area. This relates particularly to alien criminals and potential terrorists, a concern for all of us.

BORDER ENFORCEMENT

Turning to border enforcement, when I was here previously, I told you 1984 was a record-breaking year. 1985 continued that and was another record-breaking year. We apprehended over 1.2 million illegal aliens, most of those, 94 percent, on the Southern border. The FY 1985 Border Enforcement Enhancement Program, which you and the full Congress supported, helped us a great deal on our border activity and is largely in place. The people have been hired, trained and are out in the field. In addition, we have had some increases in equipment and other systems we put in place at the border.

The results have been startling with this increased border enforcement as well as the border activity generally. We have had an increase of more than 43 percent in the first four months of the fiscal year in the number of apprehension of illegal aliens. This is compared to an agent hour of 28 percent. It is our estimate based on current trends that in this fiscal year we would apprehend about 1.8 million illegal aliens. That clearly represents a great surge of illegal aliens on the Southern border. This is indicated by economic conditions in Mexico and other unrest in Mexico and Central America. So, clearly, the Border Patrol and the INS must maintain the increased presence along the border along with the added equipment and technology to counteract this continuing and rising flow of illegal aliens attempting entry.

Another success we are proud of that doesn't always get the attention it should, is the apprehension and seizure of narcotics. Last year, the Border Patrol made 886 Border Patrol seizures. This was a 28 percent increase from the previous fiscal year. The value of seized drugs by the Border Patrol tripled from $42.5 million to over $122 million. Again, the tend this year is also up and I think we will go over $150 million at the current rates. We do seize more narcotics on the land border than any of the other agencies, and we are very proud of our role there in the narcotics war. Often, there is an interrelationship between alien smuggling and narcotics smuggling.

One of our concerns is there has been an increase of violence along the border. There have been 150 recorded assaults on agents, resulting in 93 injuries and a significant number of assaults the first part of this year. We have been working with the Mexican Government to prevent the border violence as well as working with them on alien smuggling and third-country smuggling of aliens into Mexico and the United States. Under our case management system we have made some good approaches there.

There clearly is a continued demand in some industries for illegal alien labor. That is why they are coming here, but we have been focusing on the large-scale smuggling organizations, and we think we have been very effective.

We give several examples on page 5, one of which was in El Paso, and a baby smuggling ring between Tijuana, Mexico and several large cities in the U.S.—one of the most cruel things going on. We think we have made some good impact there.

At the top of page 6, we project apprehension of some 20,500 alien smugglers, leading to 7,200 prosecutions, substantial convic-

tions, and a lot of vehicle seizures—again a real increase in all that area.

INTERIOR ENFORCEMENT

In the Interior Enforcement areas, we are talking largely about employment of illegal aliens, fraud schemes, aliens drawing benefits to which they are not entitled under law, the use of bogus documents, and marriage fraud. We think we have set up an effective case management approach.

In 1985, there were 1,600 cases targeting notorious employers that were completed. We are focusing as much as we can with the resources we have on the employment opportunities. We are very hopeful the House will move to mark up in the Judiciary Committee the reform legislation and pass it out so that by the end of this year we can have an immigration reform bill to help us deal with the employers and also the benefit part of it.

SAVE PROGRAM

On the benefit part, we believe this SAVE program—I will come back to that in a minute—we believe last year over 36,000 aliens applying for government assistance and benefits were identified and prevented and we calculate the cost avoidance at over $111 million for fiscal 1985.

BHAGWAN RAJNEESH INVESTIGATION

We note on page 7 one investigation that got a lot of attention. We feel very pleased with our results in the Bhagwan Rajneesh investigation in Oregon. There were convictions in the case of over 400 fraudulent marriages. There was a plea of guilty, a fine of $400,000 and Bhagwan departed the country.

DETENTION AND DEPORTATION

In the Detention and Deportation area, over 1 million illegal aliens were expelled from the country upon their apprehension at the border. In addition, another 2,000 were excluded and 44,538 departed voluntarily under pressure of deportation. On the 21st of this month, we will formally dedicate the Oakdale, Louisiana Alien Detention Center. As we testified before, this is a joint venture between the INS and the Bureau of Prisons. This will expand our capabilities.

We have utilized contract detention facilities in the locations indicated in the testimony which gives us an additional 900-bed capability over our own facilities. INS has been a leader in the use of contract detention and we believe we have developed a very effective blend of the public and private use of facilities. Overall in 1987, we expect to detain approximately 181,000 aliens, and roughly a third of those, it is anticipated, would be housed in the non-Service facilities.

A continuing problem is the ongoing problem with the Mariel Cuban criminals. As you know, we were a participant along with the State Department, in negotiating an agreement with Cuba whereby we would normalize activities in this area, and that

	Perm. Pos.	Total FTE	Budget Auth.
12. Foreign allowance	...	...	$310
Allowances for Government employees in foreign areas are determined by the Department of State. The State Department anticipates a 11.4 percent increase in 1987. The requested increase of $310,000 provides 11.4 percent more than the amount budgeted for 1986.			
13. Distributed Administrative Support	...	...	51
Under the Foreign Affairs Administrative Support (FAAS) agreement an annual charge is made by the Department of State (DOS) for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 15 percent increase in foreign operation costs is anticipated. The increase of $51,000 is based on the 1986 base.			
14. FLETC cost increases	...	...	1,400
The Training Budget for the Service is predicated upon support from the Federal Law Enforcement Training Center (FLETC). Approximately five years ago FLETC provided materials, food and lodging for all the training program (required for attrition in Officer Corps workforce) and for the majority of journeyman officer courses. Currently (1985), FLETC is only providing approximately 50% of the basic course support anticipated during the formulation of the FY 1985 budget (FLETC is not providing any support for journeymen officer training). For 1986, we have been advised that support will be further reduced to approximately 5% of the anticipated support. It would appear at this point that any support from FLETC in 1987 would be negligible. With this degree of uncertainty regarding FLETC support, it is virtually impossible to plan and execute a training program. Therefore, an uncontrollable increase of $1.4 million is requested to provide funds for basic training program required for attrition in the current Officer Corp workforce.			
15. Overseas mail	...	...	12
Due to changes in rates, an uncontrollable increase of $12,000 is requested.			
Total uncontrollable increases	...	36	16,027

	Perm. Pos.	Total FTE	Budget Auth.
Decreases (automatic non-policy):			
1. Federal Telecommunications System (FTS)	...	...	-$442
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $442,000 will be subtracted from the 1986 base of $3,987,022.			
2. Nonrecurring costs for full-field investigations	...	...	-131
This decrease is for the costs of full-field investigations associated with the 95 positions received in 1986.			
3. Nonrecurring costs for equipment	...	...	-64
This decrease is for the costs of equipment associated with the 95 positions received in 1986.			
4. Nonrecurring costs for motor vehicles	...	...	-315
This decrease includes costs for motor vehicles for personnel received in 1986.			
Total decreases	...	...	-952
Total, adjustments to base	...	-6	$14,593

Immigration and Naturalization Service

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase Positions & Workyears	Increase Amount
Executive Level IV, $72,300	1		1		...	
ES-5, $70,500	1		1		...	
ES-4, $68,700	12		12		...	
ES-3, $66,237	4		4		...	
ES-2, $63,768	2		2		...	
ES-1, $61,296	12		12		...	
GS/GM-15, $52,262-67,990	123		123		...	
GS/GM-14, $44,430-57,759	430		430		...	
GS/GM-13, $37,599-48,876	446		446		...	
GS-12, $31,619-41,109	723		723		...	
GS-11, $26,381-34,292	1,634		1,634		...	
GS-10, $24,011-31,213	85		85		...	
GS-9, $21,804-28,347	3,691		3,691		...	
GS-8, $19,740-25,662	127		127		...	
GS-7, $17,824-23,170	738		738		...	
GS-6, $16,040-20,845	822		822		...	
GS-5, $14,390-18,714	1,238		1,238		...	
GS-4, $12,862-16,723	931		931		...	
GS-3, $11,458-14,896	473		473		...	
GS-2, $10,501-13,216	25		25		...	
GS-1, $9,339-11,686	2		2		...	
Ungraded positions	214		214		...	
Total, appropriated positions	11,694	$308,152	11,694	$311,708	...	$3,556
Pay above stated annual rates	...	1,192	...	1,192	...	...
Lapses	-749	-21,390	-755	-21,570	-6	-180
Net savings due to lower pay scales for part of the year	...	...	...	...	...	...
Net full-time permanent	10,945	287,954	10,939	291,330	-6	3,376
Other than permanent:						
Part-time permanent	192	2,297	192	2,297	...	...
Temporary employment	318(263)	5,956	318(263)	5,956	...	...
Other part-time and intermittent employment	312(2)	4,260	312(2)	4,260	...	...
Other personnel compensation:						
Overtime	641	14,820	641	14,820	...	...
Administratively uncontrollable overtime	670	14,420	670	14,420	...	...
Other compensation	1,804	10,824	1,804	10,824	...	...
1931 Act Overtime	159	9,068	159	9,251	...	183
Special personal services payments	...	296	...	296	...	...
Total, workyears and personnel compensation	15,281(265)	349,895	15,275(265)	353,454	-6	3,559
Average ES Salary		$62,202		$63,[illegible]		
Average GS/GM Salary		$20,701		$20,701		
Average GS/GM Grade		8.42		8.42		

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11	Personnel compensation:						
11.1	Full-time permanent	10,995	$287,958	10,939	$291,330	-6	$3,376
11.3	Other than permanent	822	12,513	822	12,513	...	...
11.5	Other personnel compensation	3,274	49,132	3,274	49,315	...	183
11.8	Special personnel services payments	...	296	...	296	...	...
	Total	15,091	$349,895	15,035	$353,454	-6	$3,559
	Reimbursable workyears:						
	Full-time permanent	(1)		(1)		...	
	Other than permanent	...		...		...	
Other objects:							
12	Personnel benefits		48,173		49,864		1,691
13	Benefits to former personnel		255		255		...
21	Travel and transportation of persons		26,677		27,698		1,021
22	Transportation of things		2,485		2,589		104
23.1	Standard level user charges		25,337		29,388		4,051
23.2	Rental payments to others		1,991		2,049		58
23.3	Communications, utilities, and other rent		19,[illegible]94		15,080		386
24	Printing and reproduction		3,[illegible]10		3,406		296
25	Other services		80,83[illegible]		83,826		2,996
26	Supplies and materials		19,675		20,506		831
31	Equipment		20,815		21,[illegible]31		216
32	Lands and structures		6,787		201		-6,586
42	Insurance claims and indemnities		27		27		...
44	Refunds		19		19		...
91	Unvouchered		50		50		...
	Total obligations		$600,770		$609,393		$8,623
	Unobligated balance, start-of-year		-7,677		-464		7,213
	Unobligated balance, end-of-year		464		464		...
	Unobligated balance, lapsing		243		...		-243
	Total requirements		$593,800		$609,393		$15,593
	Relation of obligations to outlays:						
	Total obligations		$600,770		$609,393		$8,623
	Obligated balance, start-of-year		82,627		132,827		
	Obligated balance, end-of-year		-132,827		-175,485		
	Outlays		$550,570		$566,735		

worked very well for several months. We sent back 200 criminals. Unfortunately, the Cuban Government would no longer go along with the agreement when Radio Marti went on the air, so we have been unable to repatriate any since. We are faced with tremendous costs in detaining these aliens and the cost of not knowing when to send them back. There is a long-term problem when the state facilities let them out and we clog up the federal facilities. So we are hoping we can make some breakthroughs in current circumstances under difficult circumstances.

ADJUDICATIONS AND NATURALIZATION

Switching to adjudication and naturalization, we think from a management point of view, Mr. Chairman, the Balanced Adjudication System and the Priorities Management System that we have put into place have been very effective. We have eliminated all the backlogs in the last year with existing staff, and we think our people did an excellent job. We have sent a lot of files to the ports of entry where people on down time between flights and also the remote adjudication centers, where people are not interrupted by the phone, a concept somewhat similar to the Internal Revenue Service. This enables us to process the more simple applications that can be done without seeing people face to face. We have increased by 45 percent the number of port-of-entry completions during this past year and doubled the amount completed at the remote adjudication centers. In 1987, we expect to complete about 900,000 adjudications at ports of entry, and 1.1 million at the remote adjudication centers and the district offices.

Another very positive thing is in 1985, over 251,000 persons were naturalized. I believe that is the all-time high or close to it. We have largely eliminated the backlog. People can be naturalized in a matter of months from the time they complete their paperwork, and we think that has worked well.

INFORMATION SYSTEMS

In the data systems area, I know the committee probably has some questions and we look forward to your questions on that, but when you look at what we have done at the INS in the last five years, substantial progress has been made. From an organization that processes millions of cases with our need, the only way to do it is have an effective data system, one which we did not have five years ago. We have made dramatic progress. Over 21 million case files are fully operational. The index now supports over 50,000 inquiries a day. That is about 12 million a year. The SAVE program, which I alluded to, is one of the most positive programs that we have in that it is good government at the state level. At the state level, it provides benefits in a speedy way to those legally entitled. It prevents those not legally entitled to draw such benefits and, therefore, saves the states and the Federal Government substantial money. Our interest is a further deterrent to illegal aliens coming to this country or staying here.

We have six states now underway on a program upon a contractual basis. Of course, it is authorized not only under the Immigration Act but also under the Deficit Reduction Act of 1984. We have

a number of pilot programs we are vigorously marketing with the states. As I mentioned, I believe we saved over $111 million last year. What we are doing now this year in this budget, that the White House and OMB has acknowledged, is ask for an additional million dollars to expand this program to 20 more states. There also is a provision in the reform legislation that would mandate the program when it is authorized. We hope that provision is added. If all states participate, we can be sure all programs are covered, and the anticipation is if all states participate on all of the major benefit programs, we are talking about an estimated annual cost of up to $2.8 billion. We think that is a conservative figure and certainly again, good government and one for which we ask the support of this committee and the Congress in passing immigration reform.

NON-IMMIGRANT INFORMATION SYSTEM

Going on to the Non-Immigrant Information System, which accounts for all of the foreign visitors coming through, over 57 million records are now being maintained on this data base. One of the most successful has been our automated "Ask Immigration" telephone call-in system with the tape libraries. We received over 2.2 million inquiries and now the automated inquiries we get at our offices are outnumbering the conventional calls. This enables us to service more people and we see need for expansion there.

We got underway with the National Automated Immigration Lookout System to aid the inspectors at the airports with the database. Clearly, in these days when we are concerned about terrorists and subversives, this program is very important for this country. We have implemented caseload systems and tracking cases in naturalization, deportation and in the illegal areas. Again, I think when you look at the overall development of our data processing, it has been an excellent program and we are very proud of what it has done and its capability.

We have added some additional work systems to access these systems by the acquisition and installation of 1,597 workstations.

LEGAL PROCEEDINGS PROGRAM

I think I testified before on our legal accomplishments. We have taken a very important and aggressive posture in litigation and it has paid off. As indicated, we indicted over 700 cases in the federal courts and the courts have upheld the government's position in over 90 percent—an excellent batting average. Our Supreme Court record is something like 8 wins and no losses. We think that attests to some excellent legal work on policies we are following.

The Special Assistant U.S. Attorney Program is working very well, where we put someone on our payroll working on immigration cases. That is a good marriage, and that has been very effective in some 14 or 15 locations throughout the country.

I mentioned the Cuban situation earlier, and we hope we can get that back on track. The State Department is involved in matters on foreign policy, and we are pleased to work with State on a teamwork basis.

We recently have tried to put more emphasis on, and I think we need more, the collection of debts. We are looking at revenue more

and more. We were able to collect $38 million last year and we look forward to expanding that.

In summary, we are pleased to be before you. We think this is a good budget particularly in view of our deficit concerns. It will provide us with the resources we need, and we ask for your support.

We would be pleased to respond to your questions.

[The prepared statement follows:]

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

STATEMENT OF THE COMMISSIONER

ALAN C. NELSON

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON

THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE

JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of the FY 1987 budget request for $609,393,000 and 11,694 positions for the Immigration and Naturalization Service. This budget is in line with the President's commitment to reduce the deficit and to continue to support essential government programs such as those which can only be performed by INS under Federal statutes.

Since the Services's request contains increases primarily for rising costs due to inflation, we expect to do more in FY 1987 with roughly the same personnel and supporting resources made available in this budget year.

The budget is a current services budget, with the exception of a $1 million increase to expand the Systematic Alien Verification for Entitlements (SAVE) Program, which I will cover in more detail in a few minutes. There are no resources in this request for immigration reform.

In the last two years the Service implemented the recommendations of the Grace Commission through reductions of $6,400,000, 200 positions, and 200 FTE workyears. These savings have been achieved through numerous management improvements, and a realignment of roles and responsibilities of personnel in the Central and Regional Offices. In FY 1987 the Service will achieve additional savings in operations through productivity improvements under OMB Circular A-76 by reducing vehicle maintenance costs $482,000 and cutting 42 FTE workyears allocated to this activity.

The Service's Management Team will be making further efforts in the future to improve output and to increase the taxpayers' return on their "investment" in the Immigration and Naturalization Service.

Inspections

During 1985 we made a number of improvements in the inspections program which are enhancing the productivity of our workforce. Under the Inspections Prosecution Program, immigration inspectors, who detect a violation of the law which results in an arrest, work with U.S. Attorneys offices during case processing and prosecution. This approach has been successful, with a 90 percent conviction rate, and has led to much better working relationships with the U.S. Attorneys.

With the new Inspections Vehicle Seizure Program, inspectors are now handling each vehicle seizure case at ports of entry instead of turning cases over to investigators. This has led to more timely, efficient processing of cases, with a ten percent increase in vehicle seizures at ports of entry.

The Fraud Intercept Task Force Program completed its second year of operation, continuing to show that the amount of time available for inspections of aliens is directly related to the rate of detection of fraudulent and malafide applicants for admission to the country. This program allows for a slightly longer time for each inspection without impeding traffic flow. For example, at the port of entry in Calexico, California, a time increase of 3.4 seconds for the primary inspection process produced an average increase of 63 percent in the rate of fraud detection and 156 percent in the rate of malafide detection. The resources provided by the Congress in our 1986 appropriation will allow us to make use of the Fraud Intercept Task Force Program at a greater number of ports of entry, at a time when we expect increases in fraudulent and malafide entry attempts, particularly by alien criminals and potential terrorists.

Border Enforcement

When I appeared before you last year I told you that 1984 was a record breaking year for the Border Patrol in the apprehension of aliens, and that I expected similar records in the future. This certainly was the case in 1985. The Patrol apprehended 1,262,435 aliens, of which about 94 percent were on the Southern border. The FY 1985 Border Enforcement Enhancement is now largely in place, and the results are startling. Apprehensions have increased more than 43 percent for the first four months of this fiscal year over a year ago while productive agent hours increased 28 percent over the same time period. Given the current apprehension trend, we now estimate 1.8 million apprehensions nationwide in FY 1986. The increase in apprehensions, above what we had expected from the FY 1985 Border Enforcement Enhancement, is evidence of an even greater surge of people across our Southern border.

In 1987, the illegal alien flow may be similar to what is occuring at this time. There will have to be reversals in the ever declining value of the peso and in the continuing drop in oil prices before the trend stabilizes. We expect that migration trends in Mexico and Central America will continue to be related to economic factors and political unrest. Until progress is made in resolving problems in these two areas, large numbers of individuals will persist in their efforts to enter the country illegally. Therefore, the Border Patrol must maintain its recently increased presence along the border, along with its added equipment and technology, to counteract the rising flow of aliens attempting illegal entry across our borders.

Narcotics trafficking remains a growing problem that must be confronted by the Border Patrol. Our Border Patrol Agents made 886 narcotics seizures at the borders in the last fiscal year. This was a 28 percent increase from the previous fiscal year. The value of seized drugs nearly tripled in the same period, to $120 million from $42.5 million.

1985 was also a year in which violence on the Border increased ominously. There were over 150 recorded assaults against our agents resulting in 93 injuries last year. It appears that assaults and injuries will also be a problem in 1986, as assaults have already jumped by 75 percent in the first quarter of this year over last year.

Alien Smuggling

In the coming year alien smuggling activity should continue to be a major problem due to the vitality of the U.S. economy and demand in some industries for illegal alien workers who can be exploited and paid lower wages than

could be paid to U.S. citizens. Increases in Border Patrol apprehensions may cause more aliens to turn to smugglers as a means of getting into the country and obtaining the jobs they are seeking.

Under the case management system the investigations undertaken by Anti-Smuggling units focus on the more complicated cases. For example, a number of significant investigations of large-scale smuggling organizations were conducted during 1985. In one of these cases, a major alien smuggling and narcotics ring, operating out of a truck stop in the El Paso area, was broken up. This investigation resulted in the arrest of twenty-one persons involved in the smuggling ring and eighty-two illegal aliens. Our investigators estimate that this operation was bringing in 300 or more aliens into the U.S. each month (3,600 per year). They were smuggling various narcotics as well. Their estimated monthly "income" was around $90,000 (over $1 million per year). Another indication of the magnitude of this operation is the property seized by the government: sixteen semi-tractor/trailers and a pick-up truck. In addition to this smuggling ring, our investigators are working on leads involving several other smuggling operations which were using the same truck stop.

In San Diego a well-organized baby smuggling ring, operating between Tijuana, Mexico, and several large cities in the U.S., was broken up with the arrest of two of the major arrangers and smugglers, who obtained babies from unwed mothers in Mexico. Our investigators estimate that this organization, posing as an adoption agency, smuggled at least 26 infants into the country, charging as much as $4,000 per child. Fraudulent birth certificates were provided with each child in an effort to make their activities appear legitimate.

Servicewide in 1985 INS officers apprehended 18,077 alien smugglers, resulting in 1,073 major and 5,587 minor prosecutions. Convictions were obtained on 1,463 felony charges and 3,660 misdemeanors. A total of 10,348 conveyances (cars, trucks, vessels, airplanes) were seized, with an estimated value of more than $52 million. The Service retained and incorporated 192 suitable vehicles into its fleet.

In 1987 we are projecting the Servicewide apprehension of 20,500 alien smugglers, leading to 7,200 prosecutions (based on past experience with U.S. Attorneys' offices). The prosecutions should result in convictions on 6,800 charges and sentences totaling 50,000 months (4,167 years). This will obviously have a considerable impact on a number of alien smugglers who will be out of "business" for quite a while.

Interior Enforcement

In 1985 the Service's Investigations program operated for its second year under a case management system which has greatly improved the way that personnel and supporting resources are allocated to the thousands of cases which are investigated each year. Highest priority cases are those which involve criminal aliens, fraud schemes to obtain immigration benefits, and aliens who illegally receive benefits from government entitlement programs. During the last fiscal year our investigators closed down 341 major fraud schemes. Typically, these cases involve perpetrators who assist a number of illegal aliens through the manufacture, distribution, and sale of bogus documents. Marriage fraud rings are also frequently investigated and closed down.

In 1985 over 1,600 cases targeting notorious employers of illegal aliens were completed. More than 1,100 of these resulted in the cessation of hiring

of illegal aliens. The elimination of employment opportunities is important if we are to discourage economic migrants from entering the country illegally. During 1985, 34,567 employed deportable aliens were located and apprehended by Service investigators. Many of these aliens were displacing citizens from desirable jobs worth millions of dollars.

Also during the last year 36,305 illegal aliens were identified as applicants for or enrollees in government assistance and benefits programs such as welfare/AFDC, unemployment compensation, etc. The savings obtained by not enrolling and removing ineligible aliens from entitlement programs was calculated to exceed $111 million for FY 1985.

Last year a major long-term investigation was completed in Oregon, involving Bhagwan Shree Rajneesh and the Rajneesh Foundation International. Numerous violations of the immigration statutes were uncovered, including conspiracy, false statements, visa fraud, and harboring illegal aliens. Rajneesh and seven others were involved in arranging in excess of 400 fraudulent marriages to enable "cult" members to remain in the U.S. As a result of our work, Rajneesh pled guilty to two felony counts, was fined $400,000, and agreed to leave the country. Other individuals remain under investigation or are awaiting trial.

In another operation, a joint INS-Health and Human Services investigation led to the arrest of a group engaged in counterfeiting and selling alien registration cards and Social Security cards to aliens.

Our heavy investigations workload in 1987 will involve an estimated 28,400 case completions, 16,200 apprehensions from casework, and 54,700 other apprehensions.

59-584 O—86——19

Detention and Deportation

In 1985, the Detention and Deportation program played a very active support role for the Border Patrol and Investigations activities. More than one million illegal aliens were expelled from the country immediately after their apprehension. In addition, 21,588 aliens were formally deported, nearly 2,000 were excluded, and 44,538 departed voluntarily after being placed under docket control by the Detention and Deportation program.

In addition to the expulsion function, the Detention and Deportation program is responsible for the detention of aliens who are in the U.S. in violation of the law. A high priority of the Service in 1985 was to provide adequate detention space and services consistent with apprehension needs. The combined rated capacity of the seven Service Processing Centers was expanded to 2,239. The INS-Bureau of Prisons Alien Detention Center at Oakdale, Louisiana will become operational later this month. This facility will provide 1,000 additional bed spaces for detainees, freeing up space in facilities closer to the border which are designed for handling large numbers of aliens for relatively short stays.

We are continuing to use contract detention facilities in Los Angeles, Las Vegas, Denver, El Paso, Laredo, and Houston. These facilities provide INS an additional 900+ bed capability. Without the additional space available through the contractual approach the existing Service facilities would be overwhelmed. INS has been the leader in use of contract detention. We believe we have a effective blend of public and private uses in this area. Overall in 1987, we expect to detain approximately 181,000 aliens. Of this number, about 68,000 will be held in non-Service facilities.

The detention of Mariel Cuban criminals is a continuing and growing problem for INS, since the Cuban government suspended the repatriation agreement which was reached with them in December 1984. While the agreement was in effect, 201 Cubans were repatriated. INS currently has 248 Mariel Cubans in its facilities. More than 400 others are being held, at considerable expense to INS in non-Service detention facilities. There are more than 2,500 other Mariel Cubans with INS detainers in state and local prisons who are being released into INS custody at a rate of about 80-100 per month. All this comprises an expensive and challenging problem for the Service in 1986 and into 1987.

Adjudication and Naturalization

The adjudications program continued to function efficiently during 1985 due to the use of the Balanced Adjudications System and the Priorities Management System. These management tools focus on distributing the workload and resolving backlog problems where they appear to be developing. As a result, adjudications backlogs were almost totally eliminated during 1985.

Under the Balanced Adjudications System, certain types of applications for immigration benefits are sent either to ports-of-entry (for completion by immigration inspectors during stand-by time) or to remote adjudications centers (where examiners are relatively free from interruptions such as telephone calls and office visits). In the last two years, port-of-entry completions were up by 45 percent. In the same period remote adjudications centers completions have more than doubled. These gains can be attributed to our emphasis on productivity improvements. In 1987 we expect to complete 900,000 adjudications at ports-of-entry and 1,125,700 at remote adjudications centers and district offices.

In 1985 over 251,000 persons were naturalized, making it one of our most productive recent years for this activity. Due to management improvements, by the end of 1985 the naturalization program nearly eliminated its backlog of cases. We expect to make additional backlog reductions in 1986 and 1987 without additional personnel.

Data Systems

In 1985 considerable progress was achieved in a number of major systems. The following will give you an idea of what has been accomplished.

The Central Index, consisting of nearly 21 million alien case files, became fully operational in September 1985. It was also expanded to provide access by state government offices. The Index now supports over 50,000 inquiries a day. (This translates to over 12 million inquiries a year.)

Under the Systematic Alien Verification for Entitlements (SAVE) Program, participating states are allowed access to the Central Index to determine whether an alien applicant is eligible for the public funding entitlement being sought. Six states (California, Colorado, Illinois, Florida, Indiana, and Montana) are formally participating in SAVE. Pilot projects are also operating in a number of states, including Texas, Virginia, Idaho, and Louisiana. The INS budget request for 1987 includes an increase of $1,000,000 to provide full system access to 20 more states participating in the SAVE Program. This investment will result in cost savings much greater than this amount. In 1985, for example, formal participants and pilot project states avoided entitlement program costs of over $111 million which otherwise would have been paid to

ineligible aliens. Countless others no doubt were deterred by publicity about the program's success and did not apply for benefits. This program works. It cuts costs at a time when this type of effort is important at all levels of government. If all states were participating in the SAVE Program, an estimated $2.8 billion could be cut from outlays for entitlement benefits.

Further improvements have been made in the Non-Immigrant Information System (NIIS), which is the only means the U.S. has to account for foreign visitors and diplomats. It is now possible to load over 625,000 records in a 24-hour period. Over 57 million records are now being maintained on this important database. NIIS provides current status information on nonimmigrants, reports on violators, and statistical information of considerable use to Service managers, as well as to intelligence agencies and the transportation industry.

During 1985 our automated "Ask Immigration" multi-lingual telephone answering services received over 2,220,052 inquiries of the over 4.5 million total telephone inquiries. This year and in 1987 we expect the automated inquiries to outnumber the conventional calls. Efforts are under way to make "Ask Immigration" easier to use, more comprehensive, and provide better service to the public, without increasing staff or costs.

The National Automated Immigration Lookout System was enhanced and fine-tuned to aid inspectors at airports and land ports of entry in the detection and deterrence of subversives and terrorists.

Three casework systems were implemented that allows the tracking and processing of naturalizations, deportations and legal cases. These automated

tools have increased productivity and allowed us to reduce backlogs and increase service to the public by substantially decreasing the time it takes to process individual cases.

The Service has expanded and enhanced access to these systems by the acquisition and installation of 1,597 workstations. The expenditure of these funds has allowed the Service to produce more for less.

Legal Accomplishments

During 1985 the Office of General Counsel continued to perform its complex, important mission of providing legal counsel to the Commissioner and INS operations officials and representing the government's interests in litigation arising from the administration and enforcement of immigration and nationality statues.

Attorneys representing INS litigated over 700 cases in Federal district courts and courts of appeal. The Service's position was upheld in over 90 percent of these cases. One case was successfully argued before the U.S. Supreme Court.

We continued to make extensive, expanded use of the Special Assistant U.S. Attorney Program, which places INS attorneys in U.S. Attorneys Offices where they engage in the defense of the Government's interests in civil litigation and in the prosecution of criminal cases involving alien smugglers, drug traffickers, perpetrators of immigration fraud, and Mariel Cuban criminals.

During 1984 extensive work by the Office of General Counsel and the Department of State led to the signing of an agreement with the Cuban government to repatriate excludable Cubans (particularly criminals). For several months this agreement was in effect, allowing the return of 201 individuals. Unfortunately, the Cuban government unilaterally suspended the agreement in May 1985 when Radio Jose Marti began its broadcasts.

In another important area, INS attorneys played a key role in the collection of over $3 million of outstanding debts owed to INS. This effort has been extremely successful and has had a high rate of return on the staff resources committed to debt collection.

CONCLUSION:

The budget which you have before you today will provide the resources which INS needs to carry out its numerous and complex responsibilities.

Your interest and support in the past has allowed for vast improvements and positive, productive changes in the Service. I look forward to working with you to add to this impressive record.

Thank you for your attention. I will be pleased to answer any questions you or the other members of the subcommittee may have.

VEHICLE SEIZURE

Mr. EARLY. Does your agency have the authority to keep any of the assets you seize like the DEA or FBI?

Mr. NELSON. Limited, if any. Mr. Arnold may comment on that.

Mr. ARNOLD. Only vehicles and that sort of thing.

Mr. EARLY. In the Rajneesh case, INS did not profit from that?

Mr. NELSON. That is correct.

DETENTION OF ILLEGAL ALIENS

Mr. EARLY. Commissioner, how about your non-Service facilities and the 68,000 detainees you keep other than in prison? Do you pay the private sector to hold them?

Mr. NELSON. Yes, and the rates are generally very good, $25 or somewhere in that area. So it is very cost effective in the areas where we have been able to use the private detention.

Mr. EARLY. Have you discussed that with Mr. Carlson? He might be able to use that private detention program.

Mr. NELSON. We work closely with the Bureau of Prisons in many areas. There are, of course, differences between our detention and Bureau of Prisons, and what might work for us may or may not work for the Bureau of Prisons.

Mr. EARLY. They stay a little longer.

Mr. NELSON. Hopefully, they do.

GRAMM-RUDMAN IMPACT

Mr. EARLY. Commissioner, how much was sequestered from your budget for fiscal year 1986 under Gramm-Rudman-Hollings and what impact has that had?

Mr. ARNOLD. $617,000 in funds that we collect for overtime work and some $25.5 million in appropriated funds.

Mr. NELSON. As far as the impact, Mr. Chairman, we are probably like all other agencies. The process is not an easy one. Obviously, you have to tighten your belt. We are talking where it is difficult and we have had to go through the problems, and I believe honestly like any government agency, that this 4.3 percent is something that is not going to impact our basic effectiveness, that we can improve in efficiencies in many areas and we will be able to handle it.

Mr. EARLY. Will it be necessary for the INS to undergo a furlough or reduction in force in fiscal year 1986?

Mr. NELSON. Certainly we do not contemplate any RIFs or furloughs.

Mr. EARLY. Do you anticipate the need to send up any reprogramming requests?

Mr. ARNOLD. We have projected the reductions as 4.3 percent against each of our decision units. In fact, the way we are achieving that principally through hiring deferrals in most of the cases and it will take a while to figure out how those savings actually will come out. We do anticipate a reprogramming submission later, not too much later, but later in the year as we see how these savings begin to shake out.

Mr. EARLY. Where do you expect to be reprogramming from?

Mr. ARNOLD. We have some of our larger operating programs which simply have more funds in them than some of our smaller programs where we don't expect to achieve as much in attrition.

ADDITIONAL IMMIGRATION INSPECTORS

Mr. EARLY. In 1986, Congress authorized $1.2 million for inspectors above the budget request to improve the staff's greatest needs. Have all of these positions been filled and if not, why not?

Mr. NELSON. I believe the ones last year were.

Mr. ARNOLD. The ones in the increases for this year's budget we were in the process of filling when the Gramm-Rudman reductions came along and that is one program where we are deferring hiring of positions as they become vacant. I am sure some of the positions have been filled. Not all of the positions have been filled and other positions as they become vacant are not being filled.

Mr. EARLY. Provide for the record the exact number that have been filled, have not been filled, and when you anticipate filling them. The members of this Committee who have visited the border had suggested we were going to save money with those inspectors. That was the reason why they were added and it does not make sense not to fill them.

DEBT COLLECTION

You said, Commissioner Nelson, you collected $3 million in debt?

Mr. NELSON. Yes.

Mr. EARLY. How much outstanding debt do you have?

Mr. ARNOLD. We have about $121 million worth but something like $118 million is related to the Mariel boat lift and we don't as a practical matter ever expect to get a penny of that $118 million, but because of the way the books are kept, we show accounts receivable in that amount.

Mr. EARLY. Also on those positions that we gave you that have not been filled, list for the record the locations where the positions will be assigned, please.

[The following information was submitted:]

ADDITIONAL IMMIGRATION INSPECTION

The specific reductions taken in the Inspections Program's current year resources, necessary to comply with the overall Servicewide Gramm-Rudman-Hollings budget cuts, has necessitated a delay in the filling of the new positions. The President's budget submission for this program for FY 1987 includes full-time funding for the 50 positions added in FY 1986. The Service will therefore be able to begin filling the positions in October, however they will in general be assisgned to the largest airports and land border ports where workload demands are seriously straining the current resources.

SEIZED VEHICLES

Mr. EARLY. At this time, I will yield to Mr. Dwyer.

Mr. DWYER. Thank you, Mr. Chairman.

Mr. Early asked about the keeping of seized property and you mentioned Rajneesh. I see in your statement you have managed to retain 192 vehicles. He had half a dozen Rolls Royces. Did you get any of those?

Mr. NELSON. Unfortunately, no.

Mr. EARLY. That is very bad judgment on your part. You should have gotten at least one.

Mr. NELSON. I think a lot of people would like to, but they managed to sell those to somebody in Texas.

Mr. DWYER. What type of vehicles did you keep?

Mr. NELSON. It is a variety of vehicles. Of course, we seize a great number as indicated. They will range all the way from very nice cars and in some cases trucks and we have had some boats. I think we also seized an airplane or two. Smugglers are getting smarter now and tend to use either stolen cars or poor cars.

Mr. DWYER. Did you keep 192 poor cars?

Mr. NELSON. I can't tell you the exact breakdown. They would not be so poor that they would not be operational. Sometimes they are used in undercover work, too.

Mr. DWYER. I understand your wanting to keep a car that gets 22 miles per gallon and has four doors or two doors. Do you have any guidelines as to what type of car you keep?

Mr. NELSON. We do.

Mr. DWYER. Would you provide those for the record?

Mr. NELSON. I would be happy to.

[The following information was submitted:]

VEHICLE SEIZURE GUIDELINES

INS guidelines for retention of forfeited vehicles are as follows:

Vehicle must be less than six (6) years old; unless retained for a specific operational or support needs;

If encumbered by lien, lien may not exceed one-third (1/3) appraised value at time of seizure;

Needed repairs may not exceed ten percent (10%) of appraised value at time of seizure;

Vehicle must pass state or local safety inspections where applicable and projected to have at least one year of use remaining;

Vehicle must meet federal safety and emission standards.

A listing of seized vehicles currently in INS custody cannot be provided to the Committee at this time because our Automated Seized Vehicle Information System (SEVIS) is not yet fully implemented. INS will, if requested, manually produce the data in approximately three weeks. We have however, provided statistical data relative to vehicle seizure activity during FY 1985 as follows:

Total Seized	10,348
Automoblies	7,595
Trucks	2,445
Aircraft	6
Other	302
Total Forfeited	4,448
Retained for INS fleet	278

A list of forfeited vehicles currently in the INS fleet has been provided to the Committee.

ALIENS APPREHENDED—SOUTHERN BORDER

Mr. DWYER. You mentioned the succession at the Southern border and you gave the number that were apprehended and sent back. How many got back? Do you have any idea?

Mr. NELSON. That is a very difficult thing to estimate. We ask ourselves that all the time. You will get different opinions by different experts. We had a press conference a few weeks ago. Our chief patrol officer in San Diego estimated we catch one out of two.

The chief from the Texas Brownsville area thought we were getting one out of three. That is our best estimate.

Mr. DWYER. Would you convert those into numbers for me? How many got by?

Mr. NELSON. You have to recognize of the apprehensions there are repeats, and we can't estimate that. It is obviously not 1.2 million separate or 1 million or 600,000. We don't know but it is somewhere in that range. You can extrapolate arithmetically depending on how you evaluate it. If you believe, for example, that the average would be two times or your net apprehensions of 200,000 and 2 are getting by, you would say a million-plus are getting through. A number of those, obviously, will come into the country and return to Mexico. Some will stay. We have estimated that we have a net addition to the illegal population annually of about half a million people, 500,000 people which, interestingly enough, is the legal immigration. That is the best estimate we can make.

Mr. DWYER. What is your best estimate on the total of illegal immigrants in the country at this time?

Mr. NELSON. Our estimate is somewhere in the range of 6 million here at any one time. The range will generally be from a low of 3 to 4 million. That seems to be the low. The highs people might say hit 15 or 20 million, but we think the 6 million is probably a reasonable estimate.

Mr. DWYER. I was asking questions about the Southern border. You have had some increased success because of the increased number of border patrol agents?

Mr. NELSON. Correct.

Mr. DWYER. Is there a point of no return? Could we use more agents and apprehend more people or do we reach a point where it becomes not cost effective?

Mr. NELSON. Probably a little of both of that, sir.

If I could explain in this sense, clearly the addition last year of the additional roughly 1,000 personnel was very significant and very important. We have needed more people out there. That has been a major step. The apprehending of more people sends a deterrent message that is extremely important. You can't do it at the border alone. That is why the employer sanctions in the legislation are so critical. People come here for jobs. As long as they come here and are hired, they will come here.

That is why the SAVE program is so successful. If an alien becomes unemployed and they can get on a benefit program, they will often do it. If you can deter them from that, they won't stay as easily.

Sure, we can always add more people on the border but, to be very honest, for the resources and impact, it is more important that we add these other elements.

DRUG INTERDICTION

Mr. DWYER. Does the interdiction of drugs take many people away from your immigration?

Mr. NELSON. No, not really. The Border Patrol is right on the border between the ports of entry and, in addition, of course, we have our inspectors at the ports of entry. They are there doing

their jobs to deter illegal immigration. The drugs tie into that. If they are inspecting a vehicle and they suspect narcotics involved, they can pursue it. Our functions intermix very well.

Again, as I mentioned earlier, a lot of the alien smugglers are in the drug business, so there is a tie-in there.

MARIEL CUBANS

Mr. DWYER. What do you have to do with the Mariel Cubans?

Mr. NELSON. As you know, in 1980 there were roughly 125,000 Cubans that came to the United States. About roughly 120,000, in round numbers turned out to be good people and they are assimilating into society, they are now adjusting toward permanent residency and citizenship—a difficult problem for South Florida, but that is being worked out. The problem was with a lot of the criminals who came over here, since they have been here, they have gotten involved in criminal activity. We have these people and Cuba will not take them back, and we have to detain them, and there is a huge cost involved. Again, we are hoping we can get that agreement back in force in the near future.

Mr. DWYER. That is easy. We just shut down Radio Marti.

Mr. NELSON. I guess there are a lot of options.

Mr. DWYER. In your statement, I take note that there are between 80 and 100 a month of the Mariel Cubans being released into INS custody. We have 166 in the state penitentiary in New Jersey. Will you take them off our hands?

Mr. NELSON. We are taking a lot from the states. As time goes on, as those who committed crimes in 1980–81 are completing their state sentences other than murders, they are getting out. We have been taking most of them. One of the problems if success can breed success at times, what happens when the Mariel agreement was signed and we started actually sending the criminals out, it did several things. We let the states know as we opened up spaces and we take them from their custody. Some states saw this an opportunity to start releasing early and some of that problem happened.

A lot of states really had not identified some of their prisoners as Mariel Cubans and they became more interested in doing that and, as they did so, we started getting a lot more coming out to us. That was fine as far as the outflow was concerned, but then we were getting backed up.

The Atlanta prison, which houses many of them, is filled. They are generally not geared for long-term detention of immigration detainees.

We have been working with the states. I think the relationship with most has been good. I think we are doing all we can to work this out in the best way. I can't make a specific commitment, but I think we have worked well with New Jersey in taking those off when their sentences have been completed.

Mr. DWYER. According to the the record, some 168 in 1985 and down 2 in 1986 so someone has taken two off our hands. Either the State Department or the Justice Department has taken two off our hands. It is costing us about $20,000 a year to incarcerate these people. I think we received a grand total last year of a little over $2,000 per person so there is a net loss to New Jersey of $18,000.

New Jersey has the fourth largest amount. What Florida and California do with the amounts they have, it must boggle their minds because it is really a terrible losing proposition. When you consider it is costing us $10 million a year to support Radio Marti and that was our opportunity to send these people back to Cuba, I wonder where the intelligent judgment lies.

Thank you, Mr. Chairman.

Mr. EARLY. How many of them do you have in Massachusetts and Kentucky?

Mr. NELSON. I don't have those figures offhand. We will be happy to provide them for you.

Mr. EARLY. Who makes the choice about from which state you will take them first?

Mr. NELSON. It depends on when they are released from state custody.

In answer to Mr. Dwyer, some may still be serving their sentences, and they would stay until they complete their sentence.

Mr. EARLY. Take the three states of Massachusetts, Kentucky, and New Jersey in that order—give us a little breakdown by states on where they are and, on the serious side, I know New Jersey should have lost more than two.

[The following information was submitted:]

MARIEL CUBANS IN STATE PRISONS

INS currently has 246 detainers filed on Mariel Cubans currently in the State of New Jersey. INS has taken 70 other Cubans from the State of New Jersey facilities into Service custody and transferred them to the United States Penitentiary in Atlanta, Georgia. The attached list shows the breakdown by state of INS detainers currently filed on Mariel Cubans.

It is INS' policy to place detainers on Mariel Cuban criminals detained in state and local facilities who have been convicted of serious misdemeanors or felonies. They will be taken into INS custody after they have been convicted and served their complete sentences in state and local facilities.

INS detainers filed on Cubans in State and local facilities

Arkansas	2
Alabama	5
Arizona	36
California	232
Colorado	7
Connecticut	39
District of Columbia	8
Florida	772
Georgia	27
Iowa	4
Idaho	4
Illinois	86
Indiana	6
Kansas	25
Kentucky	6
Maryland	7
Maine	1
Michigan	32
Minnesota	33
Missouri	16
New Jersey	246
New Mexico	3
Nevada	58
New York	353
Ohio	10
Oklahoma	7

Oregon	4
Pennsylvania	97
Rhode Island	9
South Carolina	9
Tennessee	2
Texas	225
Utah	11
Virginia	32
Washington	21
Wisconsin	123
West Virginia	8
Wyoming	1
Total	2,567

COMPUTER PROCUREMENT PROGRAM

Mr. EARLY. Mr. Rogers.

Mr. ROGERS. Mr. Commissioner, I want to dwell here a minute on your computer procurement program. My understanding is that the Department of Justice currently has two major computer data centers, one in Dallas and one in Washington. Now the INS is procuring a system of its own.

My understanding is, and correct me if you know that I am wrong, that when the Justice Department set up the Dallas center, the Department cited specifically the needs of the INS in establishing that center. GAO tells me now that INS is virtually the main user of the Dallas data center and a very major user of the Washington center and that they are underutilized. GAO visited with them last August and the utilization rate in Washington was about 60 percent unused and 40 percent used, possibly lower in Dallas. Do you know whether or not that is true?

Mr. NELSON. I don't know the use or disuse rate, but go ahead and complete your questions and I can respond as we go along.

Mr. ROGERS. I wondered if you had an answer.

Mr. NELSON. We clearly are a very, very major user of the Washington and Dallas data centers but to what extent they are used, I can't say.

Mr ROGERS. Dallas came into operation in 1984 and particularly because of the needs that INS had. I am wondering what needs you have that are not being currently met in Dallas and Washington.

Mr. NELSON. Let me respond and then Doris Meissner or John Murray, our Associate Commissioner for Information Systems, can respond since they know more about the procedures.

I believe you came in after I got into the data processing. I think if you look at the broad issues and what we have accomplished in INS, it has been very dramatic and very effective. Clearly, we have a long way to go, and, clearly, with the millions of records we have, we can't do without these centers.

Mr. ROGERS. Clearly you have done it with the Dallas and Washington centers.

Mr. NELSON. As I understand, we are using those major centers and it is important we do so, but as we open one in San Diego, it is necessary to have some localizing, a combination of the two major systems. I think we have San Diego and one in contemplation, and we would continue to be a major user of the two data centers that are there.

Mr. MURRAY. In the first place, I would not call their data centers underutilized. In fact, they are adding two new mainframes this month because they are saturated.

Mr. ROGERS. Both of them?

Mr. MURRAY. To balance their load.

Mr. WALLACE. I am Larry Wallace from the Department and I manage both of the data centers. In terms of our current utilization in Washington, we have five large mainframes that we do processing on, and we are adding two new ones in Washington to take care of all of the various agencies that use Washington.

In the case of Dallas, I don't know what the current utilization figures are, but it is correct to say INS is our major user in the Dallas area, and we do have other applications for other parts of the department that are operated through Dallas.

Beyond that, I think the Commissioner was very correct in saying that the different types of processing going on in different parts of the architecture are distinct enough that they should remain somewhat distinct. In terms of the mainframe type of processing, we do that with the large computer units. To tie the networks together requires smaller data centers or smaller work stations. In some cases it is more cost effective in some instances to have some of your material processed locally than to pay the long distance phone line charges for transmission of data. It is with the combination of the two that we seek to reach an optimum cost figure.

Mr. ROGERS. To what extent are the Dallas and Washington centers underutilized?

Mr. WALLACE. In the case of Washington, it is not underutilized.

Mr. ROGERS. It is completely utilized?

Mr. WALLACE. We are constantly reconfiguring the way we store data in Washington to better utilize what we have without being very expensive and without adding another data center for the department level.

In Dallas, I am not currently aware what the figures are, but we would be happy to supply that.

Mr. ROGERS. Would you do that for us, please.

Mr. WALLACE. Yes.

[The information follows:]

WASHINGTON AND DALLAS DATA CENTER USAGE

The Department of Justice provides common-use automatic data processing capabilities from two different locations to forty-three user organizations. The Justice Management Division (JMD) manages these centers continually monitoring the utilization of the six mainframe computers. Monitoring is accomplished using a comprehensive capacity management system which samples each computers resource utilization.

JMD maintains two data centers housing a total of six mainframe computers capable of processing over 75 million instructions per second. One is in Washington, D.C., and the other in Dallas, Texas. Currently, the users are consuming in excess of 95 percent of the 52 million instructions per second available in Washington. In Dallas, the users are consuming over 60 percent of one of the two machines available. The second machine is held in reserve as a contingency backup and for testing purposes. In response to the saturation of the installed base in Washington, JMD has exercised an option in the present computer contract to install two additional computers which will increase Washington's capability by 26 million instructions per second, or 50 percent. Potentially under the existing contract agreement. JMD may be able to acquire another computer making available 13 million instructions

per second to either center as demand dictates. Additionally, JMD has the potential to double capacity by exercising options allowed in the technological upgrade clause or by conducting a competitive acquisition.

Utilization of date centers [1]

[Share of resources consumed]

	Percent
Washington:	
Immigration and Naturalization Service	21
Bureau of Prisons	26
Drug Enforcement Administration	25
Automated Legal Research	7
Employee Data Systems	7
Civil Division	3
Other	11
Dallas:	
Immigration and Naturalization Service	99
Other	1

[1] Percentages of utilization are based on billings for services for the first quarter of FY 1986. The category "Other" represents the remaining thirty-five users.

DATA CENTER

Mr. ROGERS. Has the INS or has the department made a study of the impact on the two Justice data centers, if INS installed its own fairly independent and fairly large computer system as it is planning to do.

Mr. MURRAY. We are not going to withdraw from our major centers. All the data would remain at the central Justice center. One mainframe is occupied in Washington, D.C.—that one system alone. Down in Texas, the information system saturates one whole mainframe and all its peripheral devices. The reason for the data systems is those which are more local in orientation, i.e., the antismuggling information system properly resides in San Diego because that is where the majority of the traffic comes from. What we are trying to do is reduce the overall cost of telecommunications, but there has never been an intent to withdraw from the Justice data centers, and that has always been published in writing.

Mr. ROGERS. What I am driving at is the general question do we have existing Justice Department computer power that INS could just as easily use than to spend a lot of money to build their own system?

Mr. NELSON. As Mr. Murray said, that is not our intent. I think there may be some misconceptions and maybe GAO created this. We are using the Justice system and as a supplement in certain areas such as in San Diego where it is more efficient to substitute but never go off on a whole new system.

Mr. ROGERS. Again, my question is do we not now have the computer power to do what you need to do?

Mr. MURRAY. To say you have computer power, not everything should be done on a centralized basis, i.e., we have System 36's also and they take care of our files, and those minicomputers are located in our district offices. It would be uneconomical for us to install all the telecommunications to do that type of processing at the data centers.

We also have personal computers. There are some things that should be done on personal computers and not on those machines of ours that are in fact in the district offices. There are some that

should be done on a regionalized basis and some on a national basis. That is what is called architecture to optimally utilize those resources.

Mr. ROGERS. Could you furnish me information about how your ADP system would interface with justice centers and what capacity is left in the Justice centers and what needs INS has that can't be not with Justice's present center?

Mr. NELSON. As I think we all indicated, we substantially use the data centers. We are the biggest user by far. What we are talking about, on a supplementary basis, is what system works better, but we will be happy to provide you written information in response to any of those aspects.

[The following information was submitted:]

JUSTIFICATION FOR INS DATA CENTER

The justification for INS' decision to establish Satellite Data Centers to complement our use of the Justice Washington and Dallas Data Centers stem from the fact that

1. In response to our REP two of the most highly respected technology firms (IBM and EDS) independently in their recommended architectural solutions proposed a distributed architecture with multiple satellite data centers to supplement the DOJ data centers and insure the optimum economical solution to INS processing need.

2. INS independently develop a Distributed Data Processing Concept paper that validated the need for satellite date centers to more efficiently and effectively process other current and projected workland.

The most important point is that the INS has since the establishment of the Dallas Data Center which was a joint venture of the Justice Management Division and INS, and in our solication espoused that we would process our large national data bases that are accessed by not only INS but also by other elements of Justice, other law enforcement and intelligence agencies and other government and state agencies on the Justice Data Centers in doing so we have increased our usage in dollar costs by over 100 percent (from 5 million in 1983 to 10.5 million in 1985) and in computing power by over 500 percent. The use of the satellite data centers would be confined to internal district and area oriented systems such as casework support systems, internal systems development, etc. In addition, the economics of this approach indicate that a much more effective use of our limited budget resources.

ACQUISITION OF ADP SYSTEM

Mr. ROGERS. Let me turn now to the way you have gone about acquiring the ADP system, and this has been a subject of lawsuits and other hearings, but it is an interesting story, it seems to me, and I would like to learn more about it.

Apparently it was in the late 1970's when the first move began to automate more of INS activities. Since that time, apparently there has been one problem after another in the procurement of the system. The INS put out bids early on for the system but they had to be withdrawn because the industry complained that those specs could only be met by one company and that was IBM. You rereleased specifications in 1984 apparently acceptable to two bidders who showed up, IBM and EDS.

A couple of weeks after the date was closed for best and final offer, according to GAO officials, INS and met late at night with IBM personnel contrary to procurement regulations.

As a result of that meeting, the IBM bid was actually reduced by several millions of dollars which lowered it below EDS and IBM got the contract. EDS then filed suit to enjoin that contract in civil court and placed a protest with GAO. Nine days after the award

was offered to IBM, IBM proposed and INS accepted major changes in the kinds of computers being bought. The cost of the computer per unit climbed from $94,000 each to $332,000 each, and that that was done without permission from GSA to change the procurement authorization.

INS decided to reach an out-of-court settlement with the parties, and in January of 1985 apparently an agreement was reached and the contract was awarded to EDS but they were to perform the IBM contract. It didn't stop there. The final cost of the contract was about $75 million which was about $10 million over the ceiling on procurement authority which GSA had given INS. Then the total cost of the contract, the hardware and software, was about 25 percent over the GSA scheduled prices.

Normally, GSA finds that in competitive computer procurements agencies usually get prices about 30 percent below GSA schedules. You went 25 percent over.

Then adding insult to injury, after EDS filed suit, during that time INS proceeded to get special authority under the Defense Production Act to expedite delivery of the equipment. Justice's internal auditors, the Justice Management Division and GAO all have voiced concern, more than concern, about the procedures and the price paid.

Nevertheless, the Department apparently has not taken disciplinary action against anyone involved in it or, in my judgment, improved the management of the system so as to prevent further occurrences of such activities.

Recently, the Department has announced they were going to proceed with the procurement under this contract and for several deliveries and later renegotiate portions of it.

I have asked the Justice Department about it and I wonder if there is anything you would care to say on that subject.

Mr. NELSON. Yes. You have gone through many, many points, and I will not try to recapitulate on each. I would say to you and the chairman, we would like if you have not already had to provide a written response to each and every one of those points you mentioned. Those are basically allegations and basically they are not accurate.

You talk about out-of-court settlement. As a matter of fact, the dispute that existed between EDS and IBM was an out-of-court settlement reviewed by each and every agency around, as you can imagine, which went to court. The settlement was approved by the U.S. Attorney and the Federal District Court, so we believe that some of the allegations and the innuendo that is represented by some of the comments that I believe you are getting from GAO is just inaccurate.

In many ways, GAO should be severely criticized for their manner in handling this. We have responded to these issues.

Mr. ROGERS. GAO is not happy about this situation. As late as today, they are very unhappy, I have to say, based on the information I have from the GAO, which I don't think can be disputed.

Mr. NELSON. Yes, it can and it certainly is.

Mr. ROGERS. Would you like me to read my statement into the record that I have tried to describe and respond to each of those parts?

[The following information was submitted subsequent to the hearing:]

Status of INS ADP Contract

Since 1982 INS has undertaken an intensive effort to improve its operations through the use of automation technology; prior to that time progress had been sporadic. To do this INS has put three separate procurements into place. Its approach has been as follows:

-- To provide an adequate telecommunications network which is the critical infrastructure for ADP expansion. Telecommunications are provided by Tymnet, Inc. The contract was signed in September, 1982.

-- To design systems to solve major workload problems in particular geographic areas of the Service. Since 1983 the Service has invested $10 to 12 million in systems design and development. The contract for software is with Computer Science Corporation and was signed in September, 1983.

-- To supply hardware to field offices to allow access to the systems described above. The contracts for hardware and associated supporting services are with Electronic Data Systems (EDS), IBM, and Planning Research Corporation and were signed in January, 1985, as a result of the settlement of a bid dispute between EDS, IBM, and INS.

The third set of contracts, known as the ACQ II hardware contract, are the subject of your questions and the GAO Review.

The answers to the specific points that you have raised are as follows:

1. Withdrawal of first bid solicitation due to industry complaints.

The was no withdrawal of the first or any other solicitation for any reason. As is normal in a solicitation of this size and complexity the Request for Proposal (RFP) in draft form was sent for a 30-day comment period to industry and government agencies who expressed an interest. The comments received were reviewed and, where appropriate, incorporated into a revised draft RFP which was again sent to interested parties to insure that it was clear, complete, and non-restrictive. We received these additional comments, incorporated them when useful and appropriate and then issued the first and only formal RFP to which all parties were encouraged to respond. Only two firms elected to submit proposals. No other firms submitted proposals nor did they present any objections or protests.

Preparing and publishing draft specifications for industry comment and review is a standard, recommended practice used by many government agencies and authorized by federal procurement regulations and procedures.

2. Secret meeting with IBM contrary to regulations.

The IBM and EDS bids were evaluated by a source evaluation panel established by INS in accordance with applicable law and regulations. The source evaluation panel, in the process of cross-checking the life cycle cost presented by each

vendor, saw that a discrepancy existed between the number of terminals IBM used for its calculations and the number requested in the government's RFP. The cause of the discrepancy appeared to be due to an ambiguity in the RFP. To clarify this matter, IBM officials were asked to come to INS to meet. That request was made at 4:30 p.m.; the session with IBM began at 8:30 p.m. that same day. The ground rules were that no aspects of the EDS proposal would be discussed, that no written documents were to be distributed or received, and that no modifications of the IBM unit prices were to be made. Those ground rules were strictly observed. IBM was not allowed to, nor did they, revise their best and final offer. Rather, they explained their pricing rationale for the number of terminals in their offer and INS adjusted the summary costs accordingly. A similar meeting had been held with EDS some days earlier to clarify a discrepancy in its proposal. The two meetings were identical in purpose and resulted in clarification of bid discrepancies. Neither discrepancy affected the acceptability of the EDS and IBM proposals. The evening meeting was not a "secret" meeting in any sense of the word. Moreover, the content of the meeting in no way affected the outcome of the competition. It was solely for clarification purposes. The integrity of the competitive process was not compromised, nor was any indication of prejudice shown. Accordingly, the meeting did not constitute improper negotiations.

3. Changes in the kinds of computers bought nine days after the award raising the cost from $94,000 to $392,000 per unit without GSA permission.

The kinds of computers at issue are known as IBM models 4341 and 4381. The original contract called for model 4341's; the change replaced the 4341's with 4381's.

The GAO price comparison of Model 4341 versus model 4381 evaluates these Central Processing Units (CPUs) in a vacuum and ignores overall costs and effectiveness. For example, the increased processing capability of the 4381 reduces the required number of INS satellite processing centers. The attached analysis shows that there would be a personnel savings of $2.88 million by using model 4381; this savings more than offsets the additional costs of the 4381's. More importantly, the analysis depicts the use of new on-line storage technology, which when logically added to the configuration, yields an $820,000 equipment cost advantage inherent in the model 4381 configuration. Although the attached analysis is based on five processing centers, the decision to expand beyond or retain the two currently installed CPUs will depend on the results of an architectural study to determine the agency's precise requirements. This study is currently being conducted by the Federal Computer Performance Evaluation and Simulation Center (FEDSIM) of the General Services Administration (GSA) and is scheduled to be completed in September, 1986.

Because the use of model 4381 computers is more efficient, will reduce personnel and other costs to achieve better overall cost effectiveness, will reduce the number of computer processing centers, and will reduce the number of computers required, the change was justified.

The Federal Information Resources Management Regulations (FIRMR Section 201-30.007) state that needs shall be expressed in the form of deficiencies in existing capabilities, new or changed requirements, or opportunities

for increased economy and efficiency. INS did modify the contract to acquire 4381 technology. It did so based upon the fact that model 4381 was "newer, better, less expensive, more efficient and more productive than model 4341." The contract allowed for such change through the engineering changes clause.

4. Final cost of the contract about $75 million, $10 million over DPA ceiling.

The delegation of procurement authority (DPA) issued by GSA to the Department of Justice for the INS procurement required that the purchase price for INS's system not exceed $56 million and that the total contract value (personnel and other) not exceed $64.5 million over a period of 90 months or seven and one-half years.

The original contract awarded to IBM had a total contract value of $58 million which was within the $64.5 million DPA amount. Subsequent changes--in accordance with appropriate engineering change clauses in the original contract--after the contract was let but before the settlement was made, replaced less efficient hardware with more efficient hardware. The updated hardware was more expensive but more cost efficient. GAO calculates that these changes escalated the contract value to $75 million. In arriving at their figure GAO apparently assumed INS would purchase the same quantities of hardware at the new higher prices. This is incorrect because it was never anticipated that all the hardware and maintenance identified in the contract would be acquired.

To date INS has received equipment in three suites or lots known as Lots 1A, 1B, and 2A. Because INS will not be leasing or purchasing any equipment beyond that represented by Lots 1A, 1B, and 2A, the total amount procured under this contract will not approach the amount of the DPA. The amount of the contract through FY 1986 is $14,045,530 with a current unexpended balance for this fiscal year of $2,310,477. The Service will not lease or buy new equipment under the present contract. This is in accordance with the Service's decision to redefine its future requirements and invite suppliers to compete to meet those requirements.

5. Hardware and software priced at 25% over GSA schedule

Initially, an amount approximately equivalent to 25% above GSA schedule prices was paid for lot 1A equipment under the EDS Acquisition II contract. This percentage results from application of the EDS "load" (profit, general and administrative costs, and facilities capital cost of money) to the IBM GSA schedule prices. This price only applies to equipment and does not take into consideration the low maintenance costs in the EDS contract. Subsequently, INS successfully negotiated a substantial reduction in this "load" factor for leasing automated data processing (ADP) equipment in lots 1B and 2A. For these two lots, INS paid approximately 8% over IBM GSA schedule contract prices. Systems software is not separately priced but is included within the cost for ADP equipment under the EDS contract. These pricing arrangements were reviewed and approved by the Department of Justice Contract Review Committee.

6. Disciplinary action

Disciplinary actions against individuals involved in the ACQ II procurement process have not been instituted because there is no basis for concluding that improper conduct occurred. The contract that is in place is the result of a detailed and lengthy set of settlement discussions which were then ratified by the U.S. District Court in January, 1985. Since that time, administration of the ACQ II procurement has been handled according to applicable rules and regulations with the appropriate involvement of INS, Department of Justice, and GSA officials.

Conclusion

The equipment that has been procured to date under the contract represents the first phase of an ambitious modernization program which the Service has sorely needed for many years. Without that equipment, the agency cannot make optimum use of signficant investments in systems design and development made during the 1982 to 1984 period. Use of that equipment in INS's field operations is generating impressive increases in productivity in an environment where the workload is enormous and increasing daily but where other resources must remain static. The return on investment for the government is considerable; the Immigration Service will provide, in the future, additional information in that regard

In addition, INS has instituted a detailed planning exercise to identify its needs in the ADP area for the next three to five years. This planning is being augmented by an architecture analysis which is being conducted by an outside party, a unit of GSA. The results of these efforts will allow INS to determine its future requirements. In light of the pending FEDSIM study and the dynamic price environment with respect to ADP equipment, the INS has determined that renewal of the EDS contract, for purposes of acquiring additional equipment and related services in FY 1987 is not isn the best interests of the agency. Therefore, given normal planning and procurement time frames, the INS does not anticipate procurement of additional ADP equipment prior to FY 1988. This strategy has been worked out in consultation with the Department and with GSA, both of which will continue to work closely with INS in pursuit of the agency's very necessary modernization goals.

Launching and managing major, complex procurements such as the ACQ II program are difficult undertakings. I am confident that INS has struck the appropriate balance between the need to move forward agressively to bring automation solutions to its considerable workload problems and careful planning and evaluation now that the first infusion of necessary new technology has been introduced.

Cost Comparison 4381 vs. 4341

Hardware:	Cost per Unit	Number of Units	Total Cost
4341 Costs:			
4341-L09	$87,975	1	$87,975
3380-001	44,069	3	132,207
3375-A01 (819.7 MB each)	36,814	3	110,442
3375-B01 (9,835.4 MB storage)	25,317	9	227,853
Total for each site		16	558,477
Total for 8 sites		128	4,467,816
4381 Costs:			
4381-P01	392,000	1	392,000
3880-003	48,620	2	97,240
3380-A04 (2,520 MB each)	69,603	2	139,206
3380-B04 (10,080 MB each)	50,520	2	101,040
Total for each site		7	729,486
Total for 5 sites		40	3,647,473
Total hardware savings using 4381 computers			$820,343

Personnel:

4341 Staffing:
7* sites at 3** operators per site for 8 years = 168 workyears

4381 Staffing:
4* sites at 3** operators per site for 8 years = 96 workyears

Workyear savings = 72 workyears
Estimated burdened cost per operator = $40,000

Total personnel savings using 4381 computers = $2,880,000

Total savings:

Hardware	$820,343
Personnel	2,880,000
Total	3,700,343

*Excludes Washington master site.
**Both estimates are based on a minimum staffing of 3 persons per remote site.

Mr. NELSON. Absolutely. We will be pleased to, and there is no purpose to getting off on a tangent with GAO, but I think their procedures and practices in this case and in others is really quite inappropriate for an auditing outfit that made an investigation and had questions. We provided them substantial information. They were up on the Hill and other locations talking about all their "preliminary findings" locking themselves into that. They are not particularly interested in the response to these things, and they put themselves in a very difficult position. That is a most unfortunate position. We will respond, however.

Mr. ROGERS. I don't want to get in the middle of the dispute between agencies of government or even branches of government. All I want to know from you is do we need that system? Do we need to pay that much for that system? It is a lot of money and have we exceeded authority in purchasing that system or in purchasing parts of that system, and where do we go from here?

As I understand it, you have accepted deliveries of the first unit or two of that overall contract, I believe about 20 percent of the overall equipment.

Mr. NELSON. I am not sure on the percent. I think we allude in our testimony to the work stations. This is the equipment to get to the people and, in many cases, it is replacement of old terminals to use this system (you need that in order to work) plus two mainframes that I think everybody has looked at and says this needs to be done.

If I might comment, Congressman Roger, first of all, by and large the points you make, we believe, have been answered in terms of the court review, the settlement——

Mr. ROGERS. You have not answered me yet. In fact, did INS meet privately with IBM after the closing date for submission of best and final offers?

Mr. NELSON. I believe there was such a meeting but I believe this was encompassed in the lawsuit and the settlement. There was an allegation of an improper meeting. We don't think that was correct, but there was that allegation and that resulted in a lawsuit which in turn then was settled to the satisfaction of both the parties, IBM and EDS as well as INS, Justice and GAO and all of the other groups that looked at this.

Mr. ROGERS. There is a third party involved in all of this, the United States taxpayer and he was not a party to the lawsuit.

Mr. NELSON. He was through the court system and the U.S. Attorney.

Mr. ROGERS. Who represented the taxpayers?

Mr. NELSON. The U.S. Attorney and the judge of the District Court.

Mr. ROGERS. The taxpayers' dollars in my judgment from what investigation I have done were not looked after in that matter if the procurement process that the Congress has set up for procuring equipment of whatever sort, if those regulations were not followed and you had a late night meeting with one party. And I don't care what kind of computers you get, it makes no difference to me so

long as we follow the procedures and everybody has a fair shot at it.

But if in fact the procurement procedures were not properly followed, then in my judgment you need to go back and do it right.

Mr. NELSON. Mr. Rogers, we do believe they were followed appropriately. We believe that any problems that existed were cured in the process of litigation in the court review and others.

I think in terms of cost, again, let us submit the material because we don't think we have paid over the appropriate cost. I think again it is important that we look at the overall results, and this is one of our points with GAO. Even if they are right, and we don't agree that they are, but if they are, you don't stop the whole operation. We need an effective computer system. We think we have developed one, and we have developed one under very reasonable cost, and we have followed the appropriate procedures.

Mr. ROGERS. Are you saying you are within the authorized GSA figures?

Mr. NELSON. My understanding is yes.

Mr. ROGERS. My understanding is you are over.

Mr. NELSON. Let me supply you some material on that.

Mr. ROGERS. Would you justify the cost of the procurement?

Mr. NELSON. Yes.

[The following information was submitted:]

601

Cost of computer equipment

The following is an audit of total contract changes impacting cost from Mod. 1 through Mod. 21.

Mod.'s 1-6 did not cause contract price changes. Even though the software changed, it is only ordered with the hardware configuration.

Mod. 7

Change in delivery date for Lot 1, revisions to equipment configuration, deletion of a contract line item and schedule modifications.

Decrease in APP Hardware	$405,620	
Decrease in purchase only items	7,394	
Total change	$413,014	(Decrease)

Mod. 9

Adds Bar Code equipment

Total change	$385,625	(Increase)

Mod. 10

Install features on 71 3287 printers at prices identified, including ribbon cartridges, form feed after copy capacity and selector switch.

Total change	$ 13,674	(Increase)

Mod. 14

Definitizes engineering changes ordered by Mods 8 and 11.

Mod 11 upgraded the communication controller from 3705-M82 to model 3725-002

Mod 8 substituted higher technology equipment in Lot 1

Increase in APP Hardware	$ 40,606	
Increase in purchase only items	424	
Change	$ 41,030	(Increase)

In addition, management fee projected for 12 months was actually required 7.5 months.

Change	$207,571	(Decrease)
Total Change	$166,541	"

Software

Software was projected for the configuration in the basic contract.

From	To	Increase
706,983 (Budget Only)	$1,447,082	$770,099

Summary of Changes

Hardware	Increase	Decrease
Increased 439,704	26,690	
Decreased 413,014		
Software	770,099	
Mgmt Fees		207,571

Total of Contract:	2,326,953.00
Total of Obligations to date: (HDW)-	105,803
Mgmt. Fee-	375,801.65
Software-	1,300,000.00
Bar Code & Ribbons-	398,674.00
Maint. & Shipping FY 85-	97,000.00

Mod 18 Redefines Lot 1 as Lot 1A and Lot 1B and provides for purchase of Lot 1A.

		2,326,953.00
	Added	4,131,212.65
	Total	6,357,165.65
Hardware:	Lot 1A	4,036,851.00
	Lot 1B APP	NONE
	Lot 1B Purchase	1,072.00
	Added features Bar Code	384,685.00
	Ribbon	13,674
	Software	1,447,082.00
	Mgmt. Fee	375,801.65
	Maint. & Shipping	97,000.00
		$6,357,165.65

Mod 21 Renewal Option for FY 86

Fixed price extension. Increase in cost $6,239,507.00

Cost Impact of Software Modifications to EDS Contract

CLIN	Item Description	Original Contract	Mod # 6 April 24	Differ	Mod # 15 June 6	Differ	Lot 1 Quantity	Lot 1 FY85 Cost
5000	S/36 5362-A02	27950	27950	0			2	55900
	Monthly	112		-112				
5001	S/36 5362-A02 Alt	27950	25535	-2415			1	25535
5010	Assembler & Macro Processor	*	3360	3360			2	6720
5012	BASIC for S/36	*	1120	1120			2	2240
5014	COBOL for S/36	**	1750				3	5250
5016	Fortran for S/36	**	1960				2	3920
5018	RPG II for S/36	**	560				2	1120
5020	S/36 Programmer & Operator Aid	*	500	500			10	5000
5030	Office Management for S/36	***	1365					
5040	Text Management for S/36	***	1050					
5050	Displaywrite/36 (DW/36)	*	1400	1400			7	9800
5052	DW/36 Dictionary-English	*	84	84			7	588
	(5050 & 5052 replace 5040)							
5054	Personal Services/36		2100	2100			7	14700
	(Replaces 5040)							
5056	Query 36 - Monthly rental				60	60	7	420
5060	PC Support/36 - Monthly rental				45	45	6	270
5100	S/36 5360-B23	27950	27950	0				
	Monthly	112		-112				
5101	S/36 5360-B23 Alt	27950	25535	-2415				
5200	S/36 5360-B26	27950	27950	0				
	Monthly	112		-112				
5201	S/36 5360-B26 Alt	27950	25535	-2415	24435	-1100	7	171045
5300	4381-P01 Field office	8800	8800	0	15040	6240	1	15040
	Monthly rental	6257	6257	0	8645	2388	2	17290
	Initial Charge	6559	6559	0	20474	13915	1	20474
5400	4381-P01 Central Site	57400	50715	-6685	25702	-25013	1	25702
	Monthly maint.	3886	3144	-742	3796	652	3	11388
	Monthly rental	11363	11363	0	11557	194	3	34671
	Initial Charge	16623	16623	0	29233	12610	1	29233
5405	Network Simulation - Monthly				1705	1705	3	5115
5410	Network Logical Data Manager				1190	1190	1	1190
	Monthly maint.				22	22	3	66
	Monthly rental				189	189	3	567
5500	5785-ECE (VTAM Node Cntrl)	4800	4800	0				0
5600	PC DOS 2.1	45	45	0			27	1215
5610	PC/AT Tech Manual		20	20			5	100
5612	PC DOS 3.1 and BASIC		44	44			15	660
5614	PC DOS 3.1 Ref Manual		27	27			5	135
5616	PC Network Program		51	51			15	765
5618	PC Network Ref. Manual		133	133			5	665
5700	Displaywrite 2, v 1.1 for PC	209	209	0			5	1045
5710	Displaywrite 3, v 1.0 for PC		237	237			22	5214
5800	IDMS-First License	246000	246000	0	323000	77000	1	323000
	Maint. (1st 12 months)	53688	53688	0		-53688	1	
	Maint. (13th month & after)	8625	8625	0	5000	-3625		0
5900	IDMS-Subsequent Licenses	246000	246000	0	323000	77000	1	323000
	Maint. (1st 12 months)	53688	53688	0		-53688	1	

	Maint. (13th month & after)	6625	6625	0	5000	-1625		0
6000	Generalized Report Writer	27000	27000	0				0
	Monthly maint.	576	576	0				0
6100	Resource Accounting (Komand)	19000	19000	0			2	38000
	Monthly maint.	247	247	0			2	494
6200	Library Management - Panvalet	37000	37000	0			1	37000
	Monthly maint.	609	609	0			3	1827
6300	Tape Management - UCC1	21600	21600	0			2	43200
	Monthly maint.	461	461	0			5	2305
6400	SAS - Monthly rental	672	672	0			1	672
6500	SAS Graph - Monthly rental	469	469	0			1	469
6600	Office Auto - Westmoreland	300	300	0				
6700	PC Spreadsheet	495	398	-97			30	11940

Total Software = $ 1254950
Plus EDS 15.31% 192132.8

Total FY85 Lot 1 Software = $1447082.

* Added in Modification # 6

** Previously included in 5300

*** Previously included in 5000, 5100, 5200

Mr. ROGERS. You have accepted delivery of part of the equipment. What about the rest of it?

Mr. NELSON. Mr. Murray or Ms. Meissner can back up on this. Refer to lot 2A, 1,600 work stations and that is generally agreed what is necessary. There is a question and a lot depends on the marketplace. It is like the interest on your house loans. It might be worth renegotiating your loan. I think that similar thing applies to the acquisition of computer equipment.

We do believe there is reason to compete downstream with other out-year activities and we think that is a proper business judgment, and we are planning to do that, and that is in consultation with the Justice Department and GSA and other organizations.

Mr. ROGERS. You are going to renegotiate?

Mr. NELSON. Yes, beyond the lot 2A.

Mr. ROGERS. You are going to re-compete for the balance of the contract?

Ms. MEISSNER. That is correct.

Mr. ROGERS. And you are going to set aside the current contract.

Mr. NELSON. I am not sure if it is set aside.

Mr. MURRAY. We will set aside incurring any additional equipment.

Mr. EARLY. Would those of you speaking from the back of the room please identify yourselves when you speak.

Mr. MURRAY. I am John Murray. We are going to be competitive on any contract to acquire any additional equipment.

Mr. ROGERS. What will happen to the equipment you already have under that contract?

Mr. MURRAY. That will stay in place.

Mr. ROGERS. But if you keep what you have and you recompete for the balance of the architecture of that system, the bidders are going to have to be those who will be compatible with what you already have.

Mr. MURRAY. There are an awful lot of look-alikes out there, and I don't see a problem there.

Mr. ROGERS. Aren't you locking in the types of bidders that would qualify?

Mr. MURRAY. Not necessarily, because there are probably 30 or 40 bidders who can in fact bid the type of equipment we will probably need.

Mr. ROGERS. You are establishing the architecture of the system with what you already have.

Mr. MURRAY. Not the complete architecture.

Mr. ROGERS. You have the building blocks in place with what you already have. That will dictate the future, will it not?

Mr. MURRAY. Not necessarily because in fact we still have old equipment that we acquired before this whole contract, and that works in concert with the new so, in fact, there is a lot of other type of equipment out there that can react exactly the same way, exactly the same way. There are controllers and there are terminals.

Mr. ROGERS. What is the reason why you just don't get rid of what you already have and start over again?

Mr. MURRAY. To de-install around the nation would probably destroy the whole system.

Mr. ROGERS. What do you have installed?

Mr. MURRAY. We have installed approximately 1,567 work stations, 17 System 36's.

Mr. ROGERS. What are they?

Mr. MURRAY. Small mainframes, minicomputers that are local to an office, and we also have to have many mainframes. They are interconnected by a 34,000-mile telecommunications network.

Mr. ROGERS. What is there yet to purchase on the main part of the acquisition?

Mr. MURRAY. We feel there are a lot more work stations in the long run that we will need.

Mr. ROGERS. Those are terminals?

Mr. MURRAY. Terminals and some equipment to do some more final support work and word processing.

Mr. ROGERS. Would any American producer of that equipment be able to make a bid with equipment that would be compatible with what you already have?

Mr. MURRAY. Yes, sir.

Mr. ROGERS. Without extra cost?

Mr. MURRAY. That is right.

GSA AUTHORIZED AMOUNTS

Mr. ROGERS. With what you already have in place, what you have already accepted, how much money has been spent that was in excess of what GSA authorized for that portion that you have?

Mr. MURRAY. We have not spent more than one third of the GSA delegation.

Mr. ROGERS. On the part that you have spent, how much for those items have you exceeded GSA authority for those items?

Mr. MURRAY. The authority was for a dollar amount, over $64 million.

Mr. ROGERS. Excuse me?

Mr. MURRAY. The total authority was for $64 million. I don't have the exact figures but we have not spent over $20 million.

Mr. ROGERS. How much is that over the GSA scheduled price?

Mr. MURRAY. Lot 2A, I think, was 8 percent over GSA.

Mr. ROGERS. What about the other lot?

Mr. MURRAY. I think it was 18 or 19 percent. I don't have the exact figures.

Mr. ROGERS. My information is 19 percent. The contracts are for 1A; 523A are the lots you accepted.

Mr. MURRAY. 1A we purchased the equipment and 1B and 2A is a time-buying, a mortgage on it over 48 months.

Mr. ROGERS. My understanding is 1A and 2B were originally 28 percent over GSA schedules?

Mr. MURRAY. No, they are the ones that were 8 percent.

Mr. ROGERS. The renegotiated are now 19 percent over GSA schedule?

Mr. MURRAY. My information is 8 percent over GSA.

Mr. ROGERS. 19 percent for 1B.

Mr. MURRAY. That was for 1A.

Mr. ROGERS. What is the other one?

Mr. MURRAY. 2A I know is 8 percent above.

Mr. ROGERS. My information is 9 percent. Is one of us right?

Mr. MURRAY. One of us is right.

Mr. ROGERS. Normally, you can get equipment for less than GSA schedule?

Mr. MURRAY. Some amount less. It depends on the contractor.

Mr. ROGERS. How many dollars are we over GSA schedules for those accepted lots?

Mr. MURRAY. I can find that out for you but I do not have the amount in mind.

Mr. ROGERS. Can you submit it for the record?

Mr. MURRAY. Yes, I can.

[Information follows:]

PERCENTAGE OVER GSA SCHEDULE SPENT ON COMPUTER EQUIPMENT

	Hardware Costs		Percentage
	Cost to INS	Amount above GSA	
Lot 1A	$2,942,720	$742,988	25.2
Lot 1B	1,523,347	105,458	6.9
Total Lot 1	4,466,067	848,446	19.0
Lot 2A	4,396,008	411,729	9.4
Total Lot 1 and Lot 2	8,862,075	1,260,175	14.2

DISCREPANCY WITH GAO FINDINGS

Mr. ROGERS. Do you have a ballpark figure right now?

Mr. MURRAY. For everything we have, I think somewhere around $2 million.

Mr. ROGERS. Mr. Director, I would hope you can give me something better than I feel now.

Mr. NELSON. I hope so, too. We will do that.

Mr. ROGERS. Either GAO has absolutely misled me or something else.

Mr. NELSON. We strongly differ with GAO in both their conclusions and their methods in this matter. We will be happy to supply you and the subcommittee with any material and pursue it in any way you like. We would like it cleared up. We think we have done an excellent job and to the extent there have been problems—no one likes problems—but we think there are reasonable answers, and we are on the right track. GSA told us privately they are as interested as we are that the system work and that funds are expended in an effective manner and the worst thing to do would be to pull out equipment. That would not make any sense.

Mr. ROGERS. I understand you on that, but I can't understand someone from your department meeting late at night with one of the bidders.

Mr. NELSON. I can't agree with that. Mr. Murray and others can explain that. That has been part of the lawsuit.

Mr. ROGERS. I want to know if it happened.

Mr. MURRAY. In the afternoon, we met with one bidder, EDS, and later in the afternoon the team met with IBM, and that was to clarify some of the statements that they made, and that is all it was—for clarification to see if in fact the terms and conditions they said were right. Both firms were met with the same day for clarification before they went into best and final.

Mr. ROGERS. That was before the best and final?

Mr. MURRAY. At the time right there it was to be their best and final and that was in fact what they said it was. There were no renegotiations and no prices were changed.

Mr. ROGERS. After best and final was made, did INS personnel meet at any time with either bidder?

Mr. MURRAY. With both bidders on the same day after best and final.

Mr. ROGERS. I thought you said you met before.

Mr. MURRAY. No, it was at the best and final after they handed it in.

Mr. ROGERS. Did anyone meet with them after that time?

Mr. MURRAY. No. They met on the same day and it was right after they submitted the best and final bids.

Mr. ROGERS. At any time after that, did anyone meet with them?

Mr. MURRAY. Not to my knowledge, no.

Mr. ROGERS. Mr. Director?

Mr. NELSON. Not to my knowledge.

Mr. ROGERS. Mr. Wallace.

Mr. WALLACE. I was not around then. I have no knowledge of that.

Mr. ROGERS. Is GAO wrong when they say on May 10, 1984 a meeting was conducted with the INS source evaluation panel and IBM personnel? At that time, despite the fact that the deadline had passed for submission of best and final offers, INS officials worked with IBM employees to rewrite their Submission and lower their price on a bid. Are they wrong when they say that?

Mr. MURRAY. Yes, they are absolutely wrong. That is the day I am talking about. They both met and there was a clarification with IBM as to how many terminals they in fact bid.

Mr. ROGERS. Is that the date you are talking about, May 10?

Mr. MURRAY. Yes. Both firms were met with at that time.

Mr. ROGERS. You are saying at that time, the best and final date had not arrived.

Mr. MURRAY. That was the date.

Mr. ROGERS. But had not expired?

Mr. MURRAY. I don't know the procurement rules, but that was the last thing they could ever submit.

Mr. ROGERS. When they say you met with them after the date expired, you are saying they are wrong?

Mr. MURRAY. I don't know what the word expired means.

Mr. ROGERS. After the best and final.

Mr. MURRAY. Yes, it was after they submitted the best and final. It was for a clarification of how many terminals each in fact they were bidding on. No prices were changed. There was no adjustment to the price.

EDS ALLEGATIONS

Mr. ROGERS. The Federal District Court made reference to this on their findings of fact when they said, "EDS raised very serious legal questions concerning the propriety of the meeting." That is the meeting on May 10.

These included, (1) IBM was provided an opportunity to alter its proposal and with IBM's guidance INS in fact modified IBM's best and final offer; (2) the modification to the IBM cost proposal was critical to its acceptability. Thus EDS concluded it should have been afforded the opportunity to modify its proposal. Since EDS raised substantial legal questions regarding the appropriateness of the May 10 meeting between INS personnel and representatives of IBM and since the balance of equities preserves the status quo pending the protest by GAO, the court granted preliminary injunctive relief to EDS.

Mr. NELSON. Mr. Rogers, I am a trial lawyer. Those are allegations made by one party. There was a preliminary injunction which was later resolved by the parties agreeing and a court approving the settlement.

Most lawsuits have differences of opinions. We have a lot of lawsuits in this this country, and this is one of them. You had two bidders on a very big contract and they had a lot of interest in getting it. These are allegations.

Mr. ROGERS. These are not allegations. I am reading from the court judgment.

Mr. NELSON. You read the word allegations.

Mr. ROGERS. I am reading from the court opinion. The court found these facts.

Mr. NELSON. The court found there was enough reason at that point to hold the status quo and that was the basis for the preliminary injunction which was later removed and the matter settled and with the court's approval of the settlement.

Mr. ROGERS. I want you to file with this committee, if you will, please, a chronological staging of all events relating to this contract, who was there and when, dates, hours, and times so that we can get to the bottom of this.

Mr. NELSON. I will be happy to that do that.

Mr. ROGERS. At this point it is cursory.

Mr. NELSON. We will be happy to do that. We have provided at length to GAO and we will provide information which certainly will help to answer these questions.

[The following information was submitted:]

Events leading up to contract dispute with IBM and EDS

A chronology of material events is as follows:

January 27, 1984	INS solicited bids through Request for Proposal process
May 8, 1984	"Post best-and-final offer" meeting held between INS and EDS to clarify bid and correct mistake
May 10, 1984	"Post best-and-final offer" meeting held between INS and IBM to clarify bid and correct mistake
May 22, 1984	Contract awarded to IBM
June 5, 1984	EDS filed bid protest
June 13, 1984	EDS commenced legal action in United States District Court to enjoin performance of contract pending GAO determination of bid protest
July 6, 1984	District Court issued preliminary injunction enjoining INS from proceeding with performance of contract awarded to IBM
July 10, 1984 July 11, 1984	Meetings to consider effect of preliminary injunction and determine best course of action

On July 10, 1984 and July 11, 1984 three meetings were held to ascertain the effect of the preliminary injunction and to determine the best course of action to follow. At 10 o'clock on July 10, 1984 a meeting was convened in the Office of the General Counsel which was attended by the following:

- INS General Counsel
- Two Associate General Counsel
- Three representatives of the Appellate Branch, Civil Division
- The Assistant U.S. Attorney who represented INS in the court proceedings and another representative of the U.S. Attorney's office
- The Chief of the Commercial Litigation Branch, Department of Justice
- The Chief Contracting and Procurement Officer of INS and two associates
- The Associate Commissioner, Information Systems and two of his associates

In the opinion of the Assistant U.S. Attorney who handled the case, the court, in granting the preliminary injunction, had improperly relied upon GAO authority to the effect that merely having a "post best-and-final offer" meeting, without more, constituted improper negotiations which voided any subsequent contract award. The attorney stated that the better line of authority developed in the federal court system requires the unsuccessful bidder to prove actual prejudice before the meeting constitutes improper negotiations which render the award void. The attorney felt that an appeal of the preliminary injunction would be successful. However, considering remand and subsequent court action the attorney estimated that this process would take in excess of two years.

Following this discussion, three alternatives were identified:

1. Move to stay the preliminary injunction and appeal therefrom if the stay is denied;

2. Take no appeal but litigate on the merits before GAO, and then before the United States District Court, and then appeal if unsuccessful; or

3. Terminate the contract for convenience and request that both bidders resubmit best and final offers (BAFO).

After an extended discussion of the alternatives, it was agreed by all parties that the most expeditious method to proceed would be to terminate the contract for convenience and request new best and final offers. It was the expectation of those present that the termination for convenience and the request for new best and final offers could be completed within a few days and the entire process could be completed in a matter of weeks. Thus, the INS acquisition program would not be substantially delayed.

There were two risks with this approach: first, a termination convenience would expose the agency to damages and possible litigation by IBM, the winning bidder. Secondly, terminating for convenience would not resolve all seven issues raised by EDS in its bid dispute and legal action -- only the "improper negotiations" issue would be resolved.

It was agreed that the General Counsel and certain additional representatives should meet with counsel for EDS and counsel for IBM to discuss this termination for convenience solution and hopefully to obtain releases from any damages or losses resulting therefrom.

July 10, 1984 - Meeting with counsel for IBM and EDS

On the afternoon of July 10, 1984, the INS General Counsel, two Associate General Counsel, the Associate Commissioner-Information Systems, the Assistant U.S. Attorney, and a representative from the Appellate Branch, Civil Division, Department of Justice, conferred with a Vice President of IBM, the General Counsel of IBM, a Vice-President of EDS, and an attorney for EDS, to discuss the alternatives available to resolve the existing dispute.

Both counsel for EDS and counsel for IBM submitted that terminating for convenience and resoliciting new best and final offers would not resolve the entire protest, only the "improper negotiations" issue. Counsel for EDS stated that he was unprepared to relinquish the other six grounds of attack, which related to the entiree procurement process, not merely the alleged "improper meeting."

Counsel for IBM stated that terminating for convenience would be unfair to IBM because EDS now had access to IBM's proprietary information relative to its successful technical solution. IBM's attorney recommended appealing the preliminary injunction and proceeding with the litigation.

Counsel for EDS suggested a possible settlement whereby IBM and EDS would work together to provide INS with the hardware, maintenance, systems engineering and integration, and facilities operation support which were provided for in the original contract. In this manner INS would receive exactly what it had contracted for; however, EDS would be permitted to participate with IBM and the other contracting parties. Counsel for IBM and EDS agreed to confer further with respect to such a possible compromise. However, neither IBM nor EDS was willing to waive liability for termination of the contract.

July 11, 1984 Conference with principals and attorneys for IBM

On July 11, 1984, INS General Counsel and two Associate General Counsel, Associate Commissioner, Information Systems, and two representatives of the Appellate Branch, Civil Division, Department of Justice, met with a Vice-President and a counsel for IBM National Federal Marketing, and a Vice-President and a counsel for IBM Federal Services Division.

At this meeting, the IBM-FSD Vice President proposed a plan whereby IBM would "novate" a portion of its contract to EDS. IBM expressed concern with three issues: antitrust implications, derogatory press releases, and good relations with IBM subcontractors.

IBM concluded the meeting by stating that it would meet with EDS to work out a possible settlement agreement. However, IBM cautioned that in the event the contract were terminated for convenience, it intended to pursue all legal remedies including a contract appeal and legal action.

Thus, INS was confronted with the existing lawsuit and bid protest by EDS if the status quo were maintained and a new lawsuit and contract appeal by IBM if INS terminated for convenience.

A settlement agreement along the lines suggested by EDS and IBM would resolve the present litigations, would avoid future litigation and would supply INS with everything it was to obtain under its contract with IBM, all within a matter of months, at most.

July and August 1984 - Settlement Negotiations

During July and August further negotiations took place between INS, IBM, EDS, and the other contracting parties, PRC and Informatics. The U.S. Attorney's office and the Department of Justice participated in these negotiations.

These negotiations developed into a plan involving a partial assignment of IBM's prime contract to EDS and PRC.

As this settlement plan progressed, it was discussed with J. Paul McGrath, Assistant Attorney General in charge of Anti-trust, who had previously been in charge of the Civil Division. Mr. McGrath was consulted both as antitrust attorney as well as an attorney experienced in government civil law. Mr. McGrath saw no objection whatsoever to the settlement plan either under antitrust law or under civil contracting law. Similar discussions were had with Stuart Schiffer of the Civil Division and representatives of the Deputy Attorney General and Associate Attorney General.

Personal and telephonic conferences were held with Mr. William (Larry) Vann, Executive Secretary of the DOJ Contracts Review Committee, with respect to the proposed settlement arrangement and the assignment of portions of IBM's contract to EDS and PRC. Mr. Vann was familiar with the original contract and, after re-familiarizing himself with that contract and reviewing the settlement concept, he approved of this concept.

Finally, all members of the INS Executive Staff were briefed with respect to this proposed settlement and their views were solicited.

August 31, 1984, Memorandum of Understanding (MOU)

On August 31, 1984, a Memorandum of Understanding embodying the suggested settlement proposal was executed by all of the parties, that is, INS, IBM, EDS, PRC, and Informatics. This agreement set forth a general understanding of the parties with respect to the settlement and held in abeyance further proceedings with respect to the bid dispute and District Court legal action pending the completion of the settlement negotiations.

September 11, 1984 - Letter to J. Paul McGrath

On September 11, 1984, INS requested a formal legal opinion from Assistant Attorney General J. Paul McGrath, Anti-trust Division, Department of Justice, as to whether or not the proposed settlement arrangement violated the antitrust laws of the federal government.

September 12, 1984 - Letter from U.S. Attorney to Paul McGrath

On September 12, 1984, United States Attorney Joseph E.DiGenova similarly requested an antitrust opinion from Mr. McGrath. In Mr. DeGenova's letter, he stated that his office had been asked to review the Memorandum; and if it was proper, to ratify it; if improper disavow it. The U.S. Attorney had been fully apprised of the settlement negotiations; he and his office approved of all aspects, except, as he states, antitrust ramifications, if any.

Mr. DiGenova concluded by stating at page 4 of his letter: "It is evident that the proposed arrangement is the product of extensive negotiations, and it does represent the most expedient means of assuring INS the goods and services it seeks to procure. If there are no antitrust ramifications, we will draft a settlement agreement based on the proposed arrangement."

September 14, 1984 - Letter from Mr. McGrath

On September 14, 1984, Assistant Attorney General McGrath advised the General Counsel, INS, that the Antitrust Division had carefully reviewed the provisions of the memorandum and was of the opinion that the memorandum and its implementation were not violative of the federal anti-trust laws. A copy of this opinion was sent to U.S. Attorney DiGenova.

October 26, 1984 - Memo to Richard Stanley

On October 26, 1984, by memorandum, INS forwarded to Richard A. Stanley, Assistant U.S. Attorney, "draft copies of documents to be filed in conjunction with the settlement of the above-referenced matter as well as a draft release and indemnification agreement." Mr. Stanley was asked to review and comment as soon as possible.

September - October 1984 Briefings

During September and October, 1984, various representatives of INS held briefing sessions with the Commissioner and other members of the Executive Staff of INS, certain executives at the Department of Justice, executives of the Office of Management and Budget, representatives of GSA and Congressional Staff personnel. These briefing sessions were conducted for the purpose of apprising the various agencies and their personnel of the progress made with respect to resolving the bid dispute and the prospects for INS resuming its computer acquisition program. The only "approvals" sought were from the U.S. Attorney, the Assistant Attorney General for Antitrust, the DOJ Contract Review Committee, the Commissioner of INS and the U.S. District Court. It was anticipated that had any briefing sessions given rise to any questions concerning the wisdom or propriety of the proposed settlement agreement, such questions would have been responded to, and possibly would have resulted in changes being made in the settlement agreements. No such questions were received. No objections were received.

October 29, 1984 Conference with EDS re: Pricing

On October 29, 1984, representatives of INS met with representatives of EDS with respect to EDS' price schedule which was in the process of being prepared. INS emphasized that the EDS must provide to INS a pricing schedule which would equal to or less than the price schedule of IBM under its original contract, as amended.

October 30, 1984 Second Conference with EDS re: Pricing

A second meeting was held with representatives of EDS on October 30, 1984, to discuss again the price schedule to be submitted by EDS.

Following these meetings a price schedule was submitted by EDS. Although under certain circumstances, the EDS pricing would be identical with that of IBM, there were other circumstances and conditions under which the EDS price schedule was substantially higher than IBM's. The EDS price schedule could exceed the IBM price schedule by as much as $6.4 million. INS objected to this pricing schedule and so advised EDS. This situation was reflected in a memorandum from the Associate Commissioner, Mangement, INS, to the Commissioner of INS on November 13, 1984, in which the Associate Commissioner stated that the EDS plan is not comparable to the IBM contract and is not presently advantageous to the service. "Were the total projected EDS extended payment schedule cost to be reduced by $6.4 million, we would conclude that both plans are comparable and that agreement be reached."

In this memorandum, INS' Associate Commissioner for Management then set forth three options "in order of preference". The first option was to continue negotiating with EDS in an attempt to obtain a $6.4 million reduction in the price schedule. This option was considered most preferable. A second option was to continue to litigate the protest before GAO. The third and least preferable option, was that the present IBM contract be terminated for convenience and a new soliciation reflecting the changes included in modification one be issued.

November 26, 1984 - Conference with all Contracting Parties and EDS re: Status of Negotiation

On November 26, 1984, representatives of IBM, EDS, PRC and Informatics met with representatives of INS to review the settlement negotiations and the EDS price schedules. INS advised those in attendance that the EDS price schedule was unacceptable because it exceeded the IBM price schedule; that unless a reduction of these prices were accomplished, INS would not proceed with settlement negotiations, but would revert to a litigation posture; that although INS desired to settle, it would not do so unless it received the same goods and services at the same price as were provided under the original contract.

Thereafter, EDS reduced its price schedule by $6.4 million, thus rendering its price schedule comparable to IBM's and permitting the settlement negotiations to proceed to culmination.

January 9, 1985 Final Settlement Documents

On January 10, 1985 INS, EDS, IBM, PRC and Informatics, through their attorneys, appeared in court, explained the details of the settlement agreement and the settlement documents (which had been lodged with the court the previous day) and stipulated orally and in writing that the settlement had been agreed to by each of them. Upon reviewing the settlement documents and considering the presentations made by counsel, the court approved the settlement. Thereafter, the civil action was dismissed, the bid protest was withdrawn with prejudice, and the settlement documents were distributed to all parties, including GAO.

PRC (Planning Research Corporation) and Informatics was part of original proposal of IBM. PRC was to supply operations support and under the settlement signed a separate contract direct with INS to furnish that support. INFORMATICS was to supply IBM with expertise in Data Base Management technology. This was passed to EDS in the settlement.

INADMISSIBLE ALIENS DETAINED BY AIRLINES

Mr. EARLY. Congressman Carr had to leave, but he left these questions. Last year, the Committee included report language in our 1986 appropriations bill reflecting our concern with the current INS policy of requiring airlines to detain inadmissible aliens at their expense. We understand that the airlines have met with you and your staff to discuss alternatives that would relieve the airlines of this costly responsibility if, clearly, they were not at fault in detecting fraudulent passports and documents. Has your agency made any decisions in this regard? If so, what?

Mr. NELSON. Let me respond and possibly others can add to this.

We have had discussions with the airlines. Obviously, they don't like the responsibility of having to pay. On the other hand, somebody has to pay for the costs, and if the airlines have not been diligent in checking passengers, and so forth, clearly they should pay.

Now the question gets to a determination of fault in many cases. We have indicated we want to continue to discuss the matter with them. Hopefully, there is some resolution. I don't know that there is any easy answer. Clearly, I don't think there is a basis that they should be excused from responsibility.

In a longer-term situation where they get caught for some large bills, I think there might be some merit in considering their concerns.

Mr. EARLY. I would like you to be a little more specific. Did you decide on anything?

Mr. NELSON. No, we have not. We discussed it with them, but we have not reached any conclusion.

Mr. EARLY. So they are still responsible for the costs?

Mr. NELSON. Yes.

STAFFING AT AIRPORTS IN FY 1987

Mr. EARLY. Please state what INS's intentions are for staffing airports for 1987. Do you forsee any cuts from the present staffing allocations?

Mr. NELSON. I think with our 1987 levels, we are looking basically at current levels.

ELIMINATION OF NORTHERN REGIONAL OFFICE

Mr. EARLY. I realize INS decided to drop plans to eliminate the INS regional office in Minnesota. Do you plan to bring this plan up again at all this year?

Mr. NELSON. Not this year, Mr. Chairman, we do not, but we think we should have the option of reconsidering.

By making that statement, I am not indicating any prior intention. We don't know. We strongly disagreed with the inclusion of that language in our 1986 appropriation, I think it is particularly unfortunate. We believe we would have millions of dollars the Congress saw fit to include. We had hoped it would not be included in the 1986 budget and we ask that it be stricken from the 1987 budget but we will adhere to the wish of the Congress. We will not be making any move this year.

Mr. EARLY. Have you done any studies on this issue?

Mr. NELSON. Yes. We did a study before we proposed the plan.

Mr. EARLY. Why don't you wait until you get the specific results. Have you done any since?

Mr. NELSON. No, not since the Congressional action.

UNIFORM ALLOWANCE

Mr. EARLY. You propose language to lift the ceiling that can be paid for uniforms. You have stated the reason for this. If the Department's proposal for enactment of any authorization legislation is not enacted as has been the case in the past few years, would you propose that this matter be handled in the appropriations bill?

Mr. NELSON. Would you respond to that.

Mr. ARNOLD. I think it would have been handled in the appropriations bill if we had gotten it together in a sufficient timely way. I know the department is working on a mechanism to put a limit on the allowance and specify what that is, and we don't think that an ongoing open-ended justification as we had in the 1986 appropriation is really appropriate. So that will be coming up through the machinery that the Department is working on. I don't see him now but I think Mr. Kronstedt could have elaborated on how it is being done.

Mr. WALLACE. Larry Wallace from the Department.

Mr. Chairman, I missed your hearings this morning and the purpose of missing the hearing was to work on completing the Department's work on the authorization bill. We expect to be transmitting it through the Office of Management and Budget very soon, and it will include the proposals for the Immigration Service.

Mr. EARLY. Please supply for the record the list of the specific uniform allowances for specific categories of employment which you have proposed to be authorized.

[The information follows:]

AUTHORIZATION LANGUAGE FOR UNIFORM ALLOWANCE

The Immigration and Naturalization Service is requesting the following changes to the current uniform allowance amount of $125.

Proposed uniform allowance

	Amount
Border Patrol	$425
Detention Officer	300
Immigration Inspectors	300
Contact Representatives	300

INCREASE IN APPREHENSIONS ALONG THE SOUTHERN BORDER

Mr. EARLY. Recently, you were quoted, Commissioner Nelson, as saying we are seeing the greatest surge of people in history cross our Southern border. You have also said INS agents were apprehending nearly 40 percent more illegal aliens from Mexico each day than were captured last year and that INS officials expect to arrest 1,800,000 illegal aliens this year—50 percent more than last year. In addition, you observed that for every one arrested at the border, two or three more come in. In spite of this situation, your budget request does not include any additional positions or funds

for the Border Patrol. Is your budget request adequate in light of these tremendous numbers?

Mr. NELSON. We think so.

As I responded earlier to Mr. Dwyer's question, we in this Administration are proud and very pleased with the Congressional support of the substantial increase we had two years ago, which provided roughtly a 30 or 40 percent increase in the Border Patrol. That was important and necessary and in place and it is working. A lot of the apprehensions are due to more people out there and technology, and it is working well.

I think what we need to focus on—and I believe the Attorney General similarly testified yesterday or the day before—that now we really need to shift to be sure we can get the sanctions in place, to get the SAVE program in place through the budget process and also through the legislation that would mandate it. These are the tools that we really need to concentrate on.

Also, as you know, part of the Immigration Reform Bill is increased INS enforcement activity, and we think that is the vehicle so necessary to give us the law changes plus the resources to enforce those.

Mr. EARLY. What was your request to the Justice Department for the Border Patrol?

Mr. NELSON. I believe it was as submitted here to the Congress.

Mr. EARLY. So they gave you exactly what you asked for?

Mr. NELSON. I believe that is correct.

Mr. EARLY. If you come up next year and say you are detaining only one out of every three, should we be critical of you?

Mr. NELSON. Give us the Immigration Reform Bill and some resources to go with it and then I think we would be in a position to best respond to your problems.

Mr. EARLY. Then we wouldn't need an Immigration Reform Bill.

Mr. NELSON. That would be nice.

BORDER PATROL

Mr. EARLY. Can you give a brief description of where your priorities lie in allocating your Border Patrol resources?

Mr. NELSON. I am not sure if I quite understand the question. Let me make a run at it.

Mr. EARLY. Tell me where you put them and why?

Mr. NELSON. The locations. The biggest problem is on the southern Mexican border, and I believe almost all of the increase we had from the 1985 or 1984 budget has gone to the southern border and most of our staff is there. Most of the alien flow is there. The heaviest point is at San Diego-Tijuana. The next heaviest is El Paso but at all borders we are seeing this pressure we have alluded to so we have spread them out more or less on the alien flow, with the heaviest numbers at San Diego and El Paso.

Mr. EARLY. According to Border Patrol activities, its line watch activities is one of its most effective for apprehending aliens. Since you are not requesting additional resources, are you considering reducing or curtailing other programs of the Border Patrol such as traffic check in order to increase staff for further line watch activities?

Mr. NELSON. No, sir. We think we have a good balance on the Border Patrol line watch, but the checkpoints are back away from the border. I think in California, San Clemente is 100 miles north of the Mexican border and it is very, very effective. We will continue those traffic checkpoints, and we will continue the balance we have between the line watch, the technology aspects, the aircraft, the horse patrol, the 3-wheel vehicles, the ATC's and the other activities, the checkpoints.

MAINTENANCE VEHICLE SERVICE

Mr. EARLY. Your budget request reflects the elimination of 42 positions and $482,000 workyears for management savings that will be achieved by utilizing commercially available maintenance vehicle service. On page 31, it is stated that open-market competition should yield lower costs on commonly required general maintenance and repairs. What evidence do you have that this will get lower prices for these services on the open market?

Mr. NELSON. I will comment generally and perhaps others can elaborate.

Because there is competition in at least many of the larger areas, where you can get private garage and other facilities to give competitive bids, we believe there is some value in finding out if the marketplace can give us lower prices. In some of the more remote areas, it will be more difficult.

VEHICLES

Mr. EARLY. In your statement, you identified X number of vehicles that you secure. In your budget justification, you plan to buy more than 2,990 motor vehicles. Can't we utilize what you already have there?

Mr. NELSON. Now that we are able to seize more, as indicated, we have been able to press a number of them into service. As we told Mr. Dwyer, they have to be reasonably usable vehicles, and we have to be sure they are running properly and economically. We think in our request there is an expectation of using some of the seized vehicles in addition to the other vehicles. We can't depend obviously on the seized vehicles because we don't know the number or the quality we can obtain.

Mr. EARLY. One thing the public expects you to do, I think, is to use them as best you can.

Mr. ARNOLD. Some of the replacement vehicles are for four-by-four vehicles on the border. We don't seize a lot of four-by-four vehicles. If we do seize them, we put them in service if they are in good condition; but most of the vehicles we seize are not really suitable for the kinds of use that our enforcement people need vehicles for. The one exception is in the anti-smuggling area where it is an undercover operation, so a funny shaped vehicle may work for anti-smuggling. But we are not seizing police pursuit-type vehicles or four-wheel drive vehicles, and we are not seizing the kinds of vehicles that we use to transport prisoners.

Mr. EARLY. But with these vehicles that you seize, it sounds like you are catching a lot of these people on foot? Of the 490 vehicles you are requesting in new vehicles, are they all four-by-four?

Mr. ARNOLD. No, I will provide it for the record, but it is in the vicinity of half.

Mr. EARLY. Expand for the record on why we can't utilize the others a little more.

[The following information was submitted:]

BREAKDOWN OF VEHICLES REQUESTED IN BUDGET

The 490 new vehicles will be primarily regular, police-type, pursuit sedans for the Border Patrol program and a smaller number of investigation sedans for the Investigations program. Pursuit sedans must be purchased with special police design to assure their functional effectiveness in pursuit and to assure the safety of the officers using them; forfeited vehicles do not meet these requirements.

Forfeited vehicles are utilized to every extent possible in our Investigations program and undercover operations of the Border Patrol. The Anti-Smuggling, Inspections, and Administrative Support programs and the Office of Professional Responsibility are supplied entirely with forfeited vehicles. However, these are relatively small programs as compared to the Border Patrol and Investigations programs.

The types of vehicles seized and forfeited are generally not suited for most INS enforcement activities, i.e., line watch which is mostly performed in rough inaccessible terrain requiring off road 4x4 vehicles and traffic checks which require pursuit capability. Additionally, the quality of vehicles seizures has declined as more smugglers become aware of the possibility of losing their vehicles. The vast majority of INS seizures are older vehicles in need of extensive repairs. Most of the later models seized are usually encumbered with high liens which makes it impractical to retain them for official use.

IMMIGRATION REFORM LEGISLATION

Mr. EARLY. Pending legislation would make it illegal for employers to hire undocumented aliens. You spoke about it in your statement. Would you elaborate a little further on the status of the legislation. Do you anticipate that it will be enacted this session?

Mr. NELSON. Clearly, Mr. Chairman, the point you mention on sanctions is absolutely a key part of the legislation. People come here for jobs. We are probably the only major country in the world that does not have that type of legislation. Most European countries have it. We need it to deter illegal aliens.

As far as prospects, the House has the ball in its court and we would seriously ask that you and others work with Chairman Rodino who has it before his full committee now. We are hoping it will go to mark-up soon. It must go through there and, similarly, to the Rules Committee and the House Floor.

As you know the Senate has passed the bill 3 times by 3-1, 4-1 margins. It has not made it through the House yet. We think it is a matter of momentum. If the House Judiciary Committee will get the bill and mark it up in the next month or so and get the momentum, I think we have a very good chance of getting a bill.

Conversely, if they don't move quickly, we could be in big trouble. It would be unfortunate if we did not get a bill this year. I think the major media throughout the country are supporting reform. It has bipartisan endorsement. The American citizens are strongly in support of it. It is like tax reform. The public wants it. Sometimes the special-interest groups are more noisy, but we hope the Congress and the many managers will work effectively, and we hope we will get a bill.

Mr. EARLY. Would there be sufficient funds if enacted?

Mr. NELSON. This budget request does not encompass the increase for the reform bill but there are significant authorization in-

creases which we support, and we would expect to submit the appropriate budget to give that enforcement authority. Clearly a new law will require something additional.

Mr. EARLY. For the record, if it is passed, what would you need for the remainder of the year?

[The following information was submitted:]

RESOURCES NEEDED FOR FY 1986 IF IMMIGRATION REFORM IS PASSED

The Immigration and Naturalization Service will incur no cost in 1986 for the Simpson/Rodino Immigration Reform Legislation. The start-up year for this Legislation would be 1987.

ADJUDICATION PROGRAM

Mr. EARLY. INS approves 90 percent of the petitions for adjudication without a formal quality assurance program. What action has INS taken to insure the quality on approved as well as denied applications in petitions for adjudication?

Mr. NELSON. I might ask Ms. Meissner to comment on that.

Ms. MEISSNER. About a third of our adjudications at this point are done at the remote centers that the Commissioner referred to, and there are formal quality review programs in place at those centers.

In our district offices, we deal with quality by supervisory review of the decisions that are made and, in general, I would say that the issue of quality and overall quality, fraud, and so on is one that we are giving a high priority to now that we have our backlogs taken care of. We were finally able to concentrate more effectively on that issue, and that is one that is high on our agenda right now.

Mr. EARLY. You have caught up with your backlog?

Ms. MEISSNER. Basically, yes.

Mr. EARLY. How many of those adjudications are appealed or in the process of being appealed?

Ms. MEISSNER. We deny about ten percent of the decisions, and I believe about 20 percent of those are appealed in one form or another. We would have to check them and I think I would like to verify it, but I believe it is about 20 percent.

[The following information was submitted:]

PERCENTAGE OF CASES APPEALED AFTER ADJUDICATIONS DENIAL

Following are the predominant cases appealed to the Service Administrative Appeals Unit. Due to the general nature of the Service work measurement statistics, the percentage of appeals of low volume cases, such as orphan petitions, permission to reapply for admission after deportation and bond forfeiture cases, cannot be ascertained. Also, the manner in which the Board of Immigration Appeals maintains statistics on appeals precludes the requested percentage computation on relative visa petitions.

	Occupational preference visa petitions	Fiance(e) and temporary worker visa petitions	Waivers
Petitions Received	33,977	80,733	82,869
Denied	3,759	9,471	2,203
Appealed	880	2,074	185
Percent appealed	23.4	21.9	8.4
Percent sustained	13.9	10.4	5.9

DEBT COLLECTION

Mr. EARLY. Would you touch on debt collection a little more. On page 57 of the justifications, you indicate INS has taken innovative steps to improve collection of debts over service. I think you gave me the figure of $121 million as the outstanding debt, and you said $118 million you thought was uncollectible. I think in your statement you said you collected $3 million. That means there is nothing left.

Mr. ARNOLD. We are concentrating on improving debt collection. We have put a major emphasis on that in our regional counsel staff. Some of our automated systems are in the area of cash management and debt collection.

Mr. EARLY. Where is the debt if you collect $3 million and the $118 million you don't think you are going to be able to collect? What is the other outstanding debt?

Mr. ARNOLD. There is a float which shows as part of our debt which is payment of fines by the airlines for transit without visas. These sometimes take as much as six or seven months to come to agreement with the airlines on what the liability is so it shows on the books as a debt. We have been improving our ability to collect those debts as well.

I must admit, Mr. Chairman, when I indicated that our outstanding indications of liability were $121 million and $118 million of that was the Mariel boatlift, I am confident about the $118 million. The $118 million was as of six or seven months ago. I would like to provide it specifically for the record.

[The following information was submitted:]

Debt Collection

The debt owed to INS excluding boat fines are as follows:

	(as of February 28, 1986)
From the private sector	$33,042,700
From other Government agencies	2,020,300
Total	$35,063,000

The General Counsel developed and finalized as, the first innovative step, proposed amendments to the INS Surety Regulations (8 C.F.R 103.6) beginning with publication in the Federal Register in February 1985. The final regulations were submitted to INS Management in July 1985. The proposals are still pending with INS.

The second innovative step by General Counsel and the Associate Commissioner for Examinations was the "Transportation Agreement."

The "Transportation Agreement" would correct inherent problems with 31 Act overtime billings, and addresses identified problems regarding TROV agreements and significantly remedy collection efforts by INS. This proposal is still pending within INS.

The General Counsel is actively pursuing the collection of debts due to breached bonds. This area represents a major portion of INS debts. Attached is a graph to demonstrate our efforts to date.

The General Counsel has designated a team of an Associate General Counsel, four Assistant Regional Counsel, and several special Assistant United States Attorneys to concentrate on the collection of debts and to educate the industries in order to facilitate the payment to INS of monies owed.

As a result of this teams's litigation, negotiation and education efforts the transportation industry and the surety bond industry have been more willing to make timely payments without referal to counsel for collection. The collection team's efforts will continue.

During the last 30 days the State of Illinois Insurance Commissioner has put Heritage Insurance Company (an immigration bond surety) into liquidation and the Indiana Insurance Commissioner has put Allied Fidelity Insurance Company into rehabilitation.

The industries now realize that INS is actively pursuing its debt collections and that INS considers the 1982 Debt Collections Act a mandate.

Attachment

STEPS TO IMPROVE DEBT COLLECTION

Mr. EARLY. Please provide us with those innovative steps because, on page 61 of the justification, you indicate the number of bills issued increased from 51,611 in 1984 to 79,782 in 1985. Yet, collections of fines, fees, etcetera decreased from $59 million to $57 million. First, explain the number of bills issued and why that increased by about 40 percent.

Mr. NELSON. We will provide the answer for the record. I don't have the answer.

Mr. ARNOLD. I would like to provide it for the record. It is reflected in increased traffic and increased bills, but I would like to provide it.

[The following information was submitted:]

STEPS TAKEN TO COLLECT DEBT

Management initiatives are underway to increase INS collections by (1) seeking new sources of revenue, (2) adjusting fees to recover rising actual costs, and (3) the continued improvement of debt management practices.

INS is currently working on a legislative proposal that would allow a $5.00 inspection fee for persons entering the United States. U.S. citizens and passengers arriving from Mexico, Canada and the Caribbean would be excluded. It is estimated that this measure would produce nearly $35 million in revenues annually.

The fees from 43 separate sources are in the process of being increased by about 14%. The increased fees will produce an additional $8.2 million annually.

Debt management initiatives include the automation of debt management systems, use of collection agencies, maximum use of offset, use of escrow accounts and referring payment data to credit reporting agencies.

It is estimated that costs to achieve these initiatives range between $700,000 and $800,000 mostly for automated systems, controls and related equipment.

FEE SCHEDULE

Mr. NELSON. I might add another thing. Although it is not connected with the debt, it ties in with revenues. We reviewed our fee schedule and issued regulations increasing the fee schedule which we felt was overdue and raised some rates $25 million additional—ballpark.

We have currently reviewed our fee schedule and we have a pending publication for a new regulation, a new fee schedule, and we believe the 60-day period will run in the next few weeks. I would expect we would be issuing new fees which again would raise $9 million, so we think we have made some good progress in that area.

Mr. EARLY. What are you increasing those to?

Mr. NELSON. In some cases, we lowered fees because we felt there was a higher cost than justified. But, in most cases, they range all over the lot. One might be a $25 item, some in the $75 range.

Mr. EARLY. Why don't you insert those for the record and provide the dates and changes.

[The following information was submitted:]

Fee Schedule - Proposed changes

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form G-641.	For filing application for verification of information contained in Service records	$15.00	153220	
	For certification of true copies, each	$ 2.00	153220	
	For attestation under seal	$ 2.00	153220	
Form I-17.	For filing application for school approval, except in the case of a school or school system owned or operated as a public educational institution or system by the United States or a state or political subdivision thereof	$50.00	150830	
Form I-90.	For filing application for Alien Registration Receipt Card (Form I-551) in lieu of an obsolete card or in lieu of one lost, mutilated or destroyed, or in a changed name	$15.00	150830	
Form I-102.	For filing application (Form I-102) for Arrival-Departure Record (Form I-94) or Crewman's Landing Permit (Form I-95), in lieu of one lost, mutilated, or destroyed	$15.00	150830	
Form I-129B.	For filing petition to classify nonimmigrant as temporary worker or trainee under section 214(c) of the Act	$35.00	150830	
Form I-129F.	For filing petition to classify nonimmigrant as fiancee or fiance under section 214(d) of the Act	$35.00	150830	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form I-130.	For filing petition to classify status of alien relative for issuance of immigrant visa under section 204(a) of the Act.....	$35.00	150830	
Form I-131.	For filing application for issuance of reentry permit.....	$15.00	150830	
Form I-140.	For filing petition to classify preference status of an alien on basis of profession or occupation under section 204(a) of the Act.....	$50.00	150830	$35.00
Form I-191.	For filing application for discretionary relief under section 212(c) of the Act.....	$50.00	150830	
Form I-192.	For filing application for discretionary relief under section 212(d)(3) of the Act, except, in an emergency case, or where the approval of the application is in the interest of the United States Government.....	$35.00	150830	
Form I-193.	For filing application for waiver of passport and/or visa.....	$15.00	150830	
Form I-212.	For filing application for permission to reapply for an excluded or deported alien, an alien who has fallen into distress and has been removed as an alien enemy, or an alien who has been removed at Government expense in lieu of deportation.....	$35.00	150830	
Form I-246.	For filing application for stay of deportation under Part 243 of this chapter.....	$70.00	150830	$125.00

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form I-256A.	For filing application for suspension of deportation under section 244 of the Act	$75.00	150830	$100.00
Form I-290A.	For filing appeal from any decision under the immigration laws in any type of proceedings (except a bond decision) over which the Board of Immigration Appeals has appellate jurisdiction in accordance with section 3.1(b) of this Chapter. (The fee of $50 will be charged by or on behalf of two or more aliens and the aliens are covered by one decision).	$50.00	150830	$110.00
Form I-290B.	For filing an appeal from any decision under the immigration laws in any type of proceeding over which the Board of Immigration Appeals does not have appellate jurisdiction. (The fee of $50 will be charged whenever an appeal is filed by or on behalf of two or more aliens and the aliens are covered by one decision).	$50.00	150830	
Form I-485	For filing application on Form I-485 for permanent residence status or for creation of a record of lawful permanent residence	$50.00	150830	
Form I-506.	For filing application for change of nonimmigrant classification under section 248 of the Act	$15.00	150830	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form I-256A.	For filing application for suspension of deportation under section 244 of the Act.....	$75.00	150830	$100.00
Form I-290A.	For filing appeal from any decision under the immigration laws in any type of proceedings (except a bond decision) over which the Board of Immigration Appeals has appellate jurisdiction in accordance with section 3.1(b) of this Chapter. (The fee of $50 will be charged by or on behalf of two or more aliens and the aliens are covered by one decision)..	$50.00	150830	$110.00
Form I-290B.	For filing an appeal from any decision under the immigration laws in any type of proceeding over which the Board of Immigration Appeals does not have appellate jurisdiction. (The fee of $50 will be charged whenever an appeal is filed by or on behalf of two or more aliens and the aliens are covered by one decision).....	$50.00	150830	
Form I-485	For filing application on Form I-485 for permanent residence status or for creation of a record of lawful permanent residence.....	$50.00	150830	
Form I-506.	For filing application for change of nonimmigrant classification under section 248 of the Act.....	$15.00	150830	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form I-538.	For filing application by a nonimmigrant student (F-1) for an extension of stay, a school transfer or permission to accept or continue employment or practical training.....	$15.00	150830	
Form I-539.	For filing application for extension of stay of a nonimmigrant, other than one described in section 101(a)(15)(F) or 101(a)(15)(J) of the Act, and, upon a basis of reciprocity, a nonimmigrant described in section 101(a)(15)(A)(iii) or 101(a)(15)(G)(v) of the Act.....	$15.00	150830	
Form I-570.	For filing application for issuance or extension of refugee travel document.....	$15.00	150830	
Form I-600	For filing petition to classify orphan as an immediate relative for issuance of immigrant visa under section 204(a) of the Act. (When more than one petition is submitted by the same petitioner on behalf of orphans who are brothers or sisters, only one fee will be required).....	$50.00	150830	
Form I-600A.	For filing application for advance processing of orphan petition. (When more than one petition is submitted by the same petitioner on behalf of orphans who are brothers or sisters, only one fee will be required).....	$50.00	150830	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form I-601.	For filing application for waiver of ground of excludability under section 212(h) or (i) of the Act. (Only a single application and fee shall be required when the alien is applying simultaneously for a waiver under both those sub-sections)	$35.00	150830	
Form I-612.	For filing application for waiver of the foreign-residence requirement under section 212(e) of the Act	$50.00	150830	
Form N-400.	For filing application for certificate of citizenship on Form N-400 by a parent, and the issuance thereof, under section 341 of the Act	$35.00	150830	ELIMINATED
Form N-410.	For filing motion for amendment of petition for naturalization when motion is for the convenience of the petitioner	$15.00	150830	
Form N-455.	For filing application for transfer of petition for naturalization under section 335(i) of the Act, except when transfer is of a petition for naturalization filed under the Act of October 24, 1968, P. L. 90-633	$15.00	150830	
Form N-470.	For filing application for section 316(b) or 317 of the Act benefits	$15.00	150830	

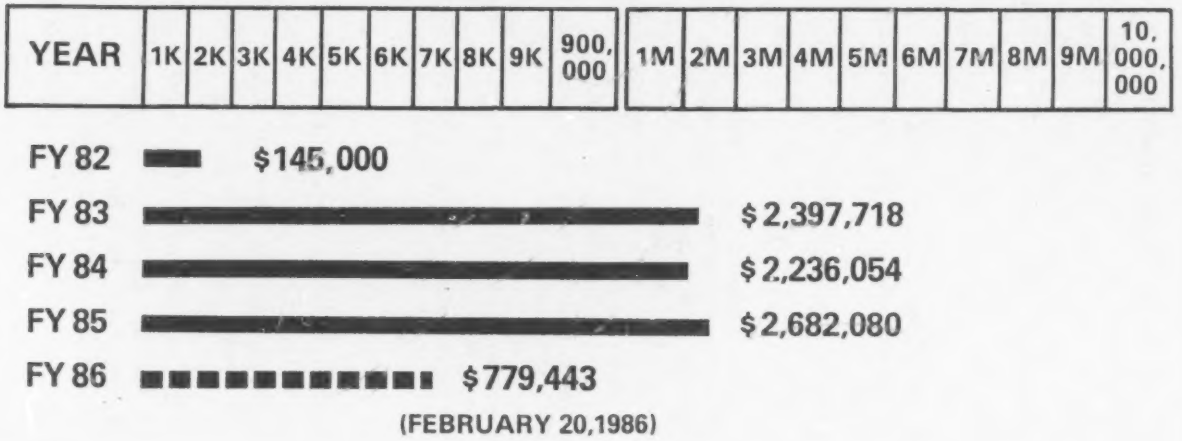
* June 1986 estimated date of implementation.

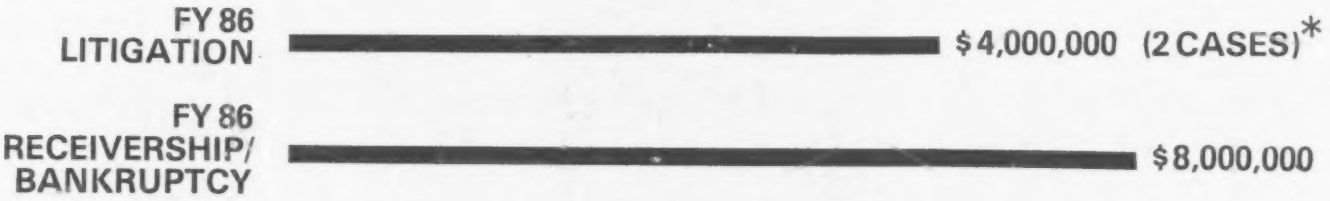
FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form N-565.	For filing application for a certificate of naturalization or declaration of intention in lieu of a certificate or declaration alleged to have been lost, mutilated, or destroyed; or for a certificate of citizenship in a changed name under section 343(b) or (d) of the Act.....	$15.00	150830	
Form N-577.	For filing application for a special certificate of naturalization to obtain recognition as a citizen of the United States by a foreign state under section 343(c) of the Act.....	$15.00	150830	
Form N-580.	For filing application for a certificate of naturalization or repatriation under section 343(a) of the Immigration and Nationality Act or the 12th subdivision of section 4 of the Act of June 29, 1906.....	$15.00	150830	
Form N-600.	For filing application for certificate of citizenship under section 309(c) or section 341 of the Act.....	$35.00	150830	
** Motion.	For filing a motion to reopen or reconsider any decision under the immigration laws (except on applications filed by exchange visitors on Form IAP-66, Cuban refugees on Form I-485A filed under the Act of November 2, 1966, or A-1, A-2 or G-4 nonimmigrants on Form I-566 for which no fee is chargeable). When the motion			
**Form N-604	For filing application for a certificate of citizenship (made on Form N-400) under section 341 of the Act.....	$35.00		

* June 1986 estimated date of implementation.

INS DEBT COLLECTIONS FY 82-86





* ONE CASE INVOLVES DEPENDABLE INSURANCE CO. WHICH HAS AN EXPOSURE OF $31,000,000.00 TO INS

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
	to reopen or reconsider is made concurrently with any application under the immigration laws, the application will be considered an integral part of the motion and only the fee for filing the motion or the fee for filing the application, whichever is greater, is payable. (The fee of $50 will be charged whenever a motion is filed by or on behalf of two or more aliens and the aliens are covered by one decision).....	$50.00	150830	$110.00
Request.	For filing application for temporary withholding of deportation under section 243(h) of the Act.....	$50.00	150830	ELIMINATED
Request.	For special statistical tabulations a charge will be made to cover the cost of the work involved.....	Cost	153220	
Request.	For set of monthly, semi-annual, or annual tables entitled "Passenger Travel Reports via Sea and Air" 1/.....	$ 7.00 -	153220	

1/ Available from Immigration and Naturalization Service for years 1975 and before. Later editions are available from the United States Department of Transportation, contact: United States Department of Transportation, Transportation Systems Center, Kendall Square, Cambridge, MA., 02142.

Fees for production or disclosure of records under 5 U.S.C. 552 shall be charged in accordance with the regulations of the Department of Justice, 28 CFR 16.9

Except as otherwise provided in paragraph (c) of this section, for services performed under section 344(a) of the Act, the clerk of the court shall charge, collect, and account for the following fees:

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 8 CFR 103.7

Application Form	Service	Fee	Receipt Account	Proposed* Changes
Form N-300/315.	For receiving and filing a declaration intention.....	$15.00	150830	
Form N-405/407.	For making, filing and docketing a petition for naturalization.....	$50.00	150830	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 28 CFR 16.9
(Freedom of Information Act)

Service	Fee	Receipt Account	Proposed* Changes
Copies. For copies of documents (maximum of 10 copies will be supplied), per page..	$ .10	152419.3	
Clerical searches. For each one quarter hour spent by clerical personnel in excess of the first quarter hour in searching for and producing a requested record.....	$ 1.00	152419.3	
Nonroutine, nonclerical searches. Where a search cannot be performed by clerical personnel, for example, where the task of determining which records fall within a request and collecting them requires the time of professional or managerial personnel, and where the amount of time that must be expended in the search and collection of the requested records by such higher level personnel is substantial, charges for the search may be made at a rate in excess of the clerical rate, namely for each quarter hour spent in excess of the first quarter hour by such higher level personnel in searching for a requested record.....	$ 2.00	152419.3	
For processing requests for computerized records, tape recordings, and other audio records.....	See 28 CFR 16.9	152419.3	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 28 CFR 16.9
(Freedom of Information Act)

Service	Fee	Receipt Account	Proposed* Changes
Other charges. When response to a request requires services or materials other than those described in 28 CFR 16.9, the direct cost of such services or materials to the Government may be charged, but only if the requester has been notified of such cost before it is incurred..	XXXX	152419.3	

* June 1986 estimated date of implementation.

FEES PRESCRIBED UNDER 28 CFR-16.46
(Privacy Act)

Service	Fee	Receipt Account	Proposed* Changes
For copies of documents (maximum of 10 copies will be supplied), per page....	$ .10	152419.2	
For furnishing computer material, tape recordings and other audio records.....	See 28 CFR 16.46	152419.2	
For materials other than those described in 28 CFR 16.46, the direct costs of such materials to the Government may be charged, but only if the requester has been notified of such cost before it is incurred.....	XXXX	152419.2	

* June 1986 estimated date of implementation.

SAVE PROGRAM

Mr. EARLY. On page 38 of the justification, you are requesting an additional million dollars for the SAVE program. That money is going to more than 20 states?

Mr. NELSON. Yes, sir.

Mr. EARLY. What controls exist to prevent an alien from falsely claiming U.S. citizenship when applying for benefits and thus completely avoiding the Systematic Alien Verification for Entitlements Program?

Mr. NELSON. You are correct, Mr. Chairman, that the SAVE program relates to a person who acknowledges their alien status and then the check goes from there. If they do not acknowledge their alien status and claim they are a citizen, then SAVE does not come into play. There are other penalties, if a person falsely claims U.S. citizenship when that person is caught up with. We think the SAVE system is a very good, fairly substantial system to make sure applicant aliens are entitled to benefits.

Mr. EARLY. What assumptions were made to estimate the $2.5 billion cost avoidance from a nationwide SAVE program?

Mr. NELSON. We think we have a pretty good slide program that runs through the SAVE program. If the committee or staff is interested, we would be happy to show it. The estimate of two and a half billion dollars is basically along these lines. We estimate there are about one million illegal aliens, as I testified earlier, against a population of roughly 240 million people and I think that is about two and a half percent. If you take the illegal aliens who apply for benefits as citizens, which is a reasonable assumption, and multiply this two and a half times by the benefit program—and in this case the major benefit programs are AFDC, unemployment, food stamps, certain education benefits, certain housing benefits—that is somewhere in the range of $112 billion annually, all those benefits, multiply two and a half percent which gives us the $8.5 billion. We think that is conservative. We have had programs in Chicago, Illinois and other locations where there is indication that illegal aliens have accessed the benefit programs to the higher percent than the general population. So we think it is a fair figure. It is a cost avoidance figure and we don't make a claim about its accuracy but we think it is an accurate assessment of the type of impact we are trying to have. We want to keep illegal aliens from getting on those programs and keep them from coming or staying in the U.S.

NATURALIZATION PROGRAM

Mr. EARLY. On page 27 of the justification, you indicate the number of persons naturalized in 1987 will be about ten percent more than the number that were naturalized in 1985. However, a recent study by David North shows that the number of aliens eligible for naturalization in 1987 will increase by more than 10 percent. Are you familiar with the North study?

Mr. NELSON. I am certainly familiar with Mr. North and many of his studies. I am not familiar with that specific study or aspects of that study.

Mr. EARLY. Would you have someone check that and let us know where the discrepancy is?

[The following information was submitted:]

DAVID NORTH STUDY ON NATURALIZATION INCREASES

David North projects naturalization to continue increasing from a high of 251,667 in FY 85 to 300,000 by FY 90. INS workload statistics suggest that receipts of applications for naturalization peaked in FY 84 and FY 85. The number of receipts should recede during FY 86, stabilize in FY 87 and then continue at a modest 3%–5% growth rate.

FAILURE TO OBTAIN CITIZENSHIP

Mr. EARLY. I understand although INS officially denies close to three percent of citizen applications, an additional 27 percent of applicants fail to obtain citizenship. Can you tell the Committee what happens to these 27 percent? Are they returned? Can they reapply?

Ms. MEISSNER. We don't know. That is a number based on applications where people started the process in one way or another and do not finish the process. We are not sure why. Sometimes they are frightened of taking the English exam. In all cases, they don't follow through. We have never had the staff or resources to follow up and determine why.

Mr. EARLY. What is the major reason for the failure of these 27 percent?

Ms. MEISSNER. We don't know. They don't complete the process and we don't go back and ask them why they don't complete it.

Mr. EARLY. From any of our data or computers are we able to see if these 27 percent show up on the illegal list after rejection?

Ms. MEISSNER. As I say, we have never checked it to find out. I would be surprised if they would show up. Generally, there is some basis for their eligibility to come in in the first place.

Mr. EARLY. We have some additional questions which we will put in the record and ask you to supply the answers.

Thank you for your testimony, Mr. Nelson.

The Subcommittee is adjourned until 9 a.m. tomorrow.

[The questions and the answers submitted thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

IMMIGRATION AND NATURALIZATION SERVICE

Detention and Deportation

QUESTION:

I understand that of the 1,069,680 aliens expelled in 1985, INS granted voluntary departure of 98 percent or 1,046,304 aliens. Of this number granted voluntary departure, 96 percent were not placed on docket control for detention and deportation follow up. Does INS have confirmation that the aliens that were granted voluntary departure actually left the United States?

ANSWER:

The voluntary departure figures quoted (1,046,304) are reported on the INS workload measurement reports as "Voluntary Departures Verified." The cases under docket control are verified when the alien's completed I-94, Arrival/Departure Record, is received in the docket control office. Those aliens not under docket control are escorted to the port of departure under safeguards and their departure is verified by the escorting officer(s).

QUESTION:

What is the magnitude of aliens granted voluntary departure who do not depart this country, how many are referred to investigations for an Order to Show Cause why the alien should not be deported, and how many are scheduled for deportation hearings?

ANSWER:

The deportation docket is divided into a number of categories. One category holds all those pre-hearing cases with unexpired or unverified voluntary departures. When 30 days from the expiration date of scheduled required departures have passed and verification of departure is not received, the Detention and Deportation branch attempts to contact the alien at both his/her U.S. address and his/her foreign address to verify departure. If departure cannot be verified, the case is referred to Investigations to locate and is moved to a separate docket category.

As of September 30, 1985, the Service-wide deportation docket contained 36,023 pre-hearing cases which had been referred to Investigations to locate. Investigations does not capture statistics on the number of Orders to Show Cause issued.

QUESTION:

Page 24 of the justifications indicates that the average stay in detention increased from 7.3 days in 1984 to 10.1 days in 1985, although the total number of aliens detained has declined by 23,081 during the same period. What are the reasons for detaining aliens for longer periods?

ANSWER:

A large number of aliens in detention request political asylum, regardless of nationality. This tends to lengthen the hearing process since the Department of State must be consulted in each of these cases. The hearing process is also lengthened by other alien-generated delays such as requests for adjournments and continuances.

Ten years ago, 92% of the aliens admitted to detention were Mexicans; today Mexicans comprise only 59% of the aliens admitted to detention. The number of other-than-Mexican persons admitted to detention and the average length of stay in detention have increased simultaneously. The Mexican cases are generally quick turnaround cases; the average length of stay for a Mexican is about three and one-half days compared to 19 days for an other than Mexican individual. As this population increases, so does the length of stay.

QUESTION:

How much is this increase in detention costing INS and are there opportunities to reduce these costs through improved management techniques?

ANSWER:

The average difference in cost between an alien 10.1 days as opposed to 7.3 days is about $75.00. This increase in detention costs is offset to a degree by decreased travel costs.

INS has made a number of improvements in management of the Detention and Deportation program in attempts to reverse this trend of increasing stays in detention. These include:

- Planned use of the Oakdale Federal Alien Detention Center for longer term cases, thus freeing up space in border facilities for quick turnaround cases.

- Use of contract facilities which improves resource and workforce utilization. With readily available contract facilities, INS officers spend much less time and travel funds in transporting aliens to detention facilities. Without contract facilities, officers must often travel many miles to a jail that has space and will accept INS detainees.

- The computerized Deportable Alien Control System (DACS) is used to track cases and to determine if action can be taken to speed up the hearing process. Any cases that appear unusually delayed are brought to the attention of the responsible officials.

- Each month, INS prepares a summary analysis of aliens in detention longer than 120 days. That analysis is shared with the Executive Office for Immigration Review and the two agencies work together to reduce system generated delays.

- A similar report is prepared each month on aliens in detention longer than 30 days. Analysis of these reports often points out procedural delays which can be corrected.

- A bond study is being conducted which will, upon its completion, provide profiles for reasonably safe bond risks.

Debt Collection

QUESTION:

Collection of $57 million represent almost 10 percent of your budget request. Given the significant amount of revenue INS collects and the emphasis which is being placed on balancing the budget, what steps could INS take to increase its collections, and how much would these steps cost?

ANSWER:

INS collections can be improved by additional automation of the billing and dunning processes coupled with the use of lockbox banks for collections. The Department of Justice is developing an accounting system which will provide needed automation to improve debt management over the long range. During the interim INS is pursuing the use of lockbox banks, justifiable use of available automation, increased the use of administrative offsets, and the use of credit reporting agencies. Costs are unknown at this time.

Border Patrol

QUESTION:

I also understand that apprehensions vary significantly between the border stations along the southwest border. Has the Border Patrol considered staff reductions or the closure of certain border stations with low traffic in apprehension rates in order to concentrate its resources in the areas where activity and apprehensions are increasing?

ANSWER:

The number of apprehensions of illegal aliens does vary along the Southern border. The variation relates to the illegal alien flow and the reasons for their attempting illegal entry at certain locations. The illegal alien crossers tend to concentrate in areas that are accessible to many transportation routes and transportation modes leading from the border to the interior of the United States; areas which have large border communities on both sides of the border; areas with viable transportation to the border from the south; locations with known employment for illegal aliens and areas where the terrain can be quickly traversed away from the border. All of these factors are considered in the distribution and placement of agents and detection devices along our borders.

The 1985 Enhancement Package specifically targeted two Border Patrol Sectors known to have the highest illegal alien crossing activity along the Southern border. Two of the nine Southern border sectors; Chula Vista, California and El Paso, Texas; received over 50% of the additional agents and support personnel from the Enhancement Package. Smaller increases were also requested and placed in the other seven sectors along the border to deal with illegal alien traffic already existing at those locations and to deal with "spillover" traffic from El Paso and Chula Vista. Apprehension rate and changes in alien

flows are continuously monitored at the Border Patrol Sector, Regional and Headquarters levels to ensure appropriate staffing and equipment resources are maintained for a comprehensive enforcement effort along the borders. The Border Patrol has made staffing level adjustments and/or changes in the location of Border Patrol Stations when alien activity warrants that action. The Patrol also uses mobile task force operations and temporary details to allow for the movement of resources to address changing seasonal entry patterns or to respond to any emergent conditions requiring a concentration of resources anywhere along the border.

Increase for the SAVE Program

QUESTION:

What assumptions were used to estimate the $2.5 billion cost avoidance from a nationwide SAVE program?

ANSWER:

The correct cost avoidance figure is $2.8 billion. There has been no universally accepted method of determining the number of illegal aliens in the U.S., nor of determining their impact on entitlement programs. Nevertheless, INS has made a number of assumptions in estimating the cost avoidance which would result from implementing SAVE in all States for all major entitlement programs:

- Although estimates have ranged from 2 million to 12 million, INS assumes the presence of 6 million illegal aliens in the U.S., a figure which comprises about 2.5% of the general population.

- While sufficient evidence is yet unavailable, it is conservatively assumed that illegal aliens apply for benefits at the same rate as the population at large. Although this may be lower in some locations, it appears much higher in others (e.g., 10% in Chicago, 25% in Miami).

- In 1980, approximately $490 billion was paid out in all benefit programs. Of this amount, $112 billion was paid out in that year for programs which INS recognizes as particularly vulnerable to illegitimate alien claims. These programs include unemployment insurance, food stamps, aid to families with dependent children, educational grants and loans, low-income housing, small business loans, medicaid, general assistance and other comparable subsidies.

Based on the assumptions above, INS estimates that by removing 2.5% of unentitled applicants from the rolls of high risk programs, approximately $2.8 billion in cost avoidance can be realized through SAVE.

Training Cost Increase

QUESTION:

On page 73 of the justifications you are requesting an increase of $1,400,000 to provide funds for basic training of INS officers at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. The justifications indicate that five years ago FLETC provided all

of the support costs for the new officer workforce, and that this support has decreased until it will be negligible in FY 1987. If that is the case, are you and other elements in the Department of Justice giving any consideration to establishing your own training center -- what would be the cost and benefits of such a center?

ANSWER:

Due to a significant increase in Border Patrol positions in 1984, it initially appeared that the Federal Law Enforcement Training Center (FLETC) would not be able to accommodate the number of basic trainees required by the INS. At that time the INS searched for alternative training facilities that would be adequate for classes that exceeded the FLETC student capacity. After looking at a number a sites, it quickly became apparent that the initial investment required to duplicate facilities currently at FLETC would be exorbitant for either refurbishment or new construction. After the review, INS elected to assist FLETC with some of the costs associated with expanding their student lodging capability.

The INS continues to believe that the FLETC is an effective and efficient location for basic training of INS Officers. The problem is that the costs for student tuition, food and lodging has been transferred from the FLETC to INS. Over the past five years the level of support from FLETC for these training related costs have dropped from 100 percent to nothing in FY 1986. The INS has absorbed these decreases by cancelling journeyman officers training courses, resulting in a backlog in this area.

The costs for training students at FLETC appears to be very reasonable and competitive. For example, current course tuition for basic courses range $200 to $513 per student for classromm space, training equipment, supplies and the use of physical training facilities, firing ranges and a pursuit driving course. The food and lodging charge is $16.00 a day per student which includes all meals, living space, maid service and linens.

Naturalization

QUESTION:

What action does INS plan to take in FY 1987 to develop better information on those citizenship applicants who are turned away as non-approvals?

ANSWER:

The Service has no plan to amend work measurement practices and reports to track repeat naturalization applications by applicants who failed to qualify on earlier occasions. In non-automated offices, this effort would be costly and time-consuming, and the resultant information would serve no recognizable purpose in the Service's evaluation of operations. However, INS is in the midst of an intensive effort to automate the naturalization function, and expects to have 17 offices on line by the end of FY 1986. The naturalization caseload handled by these 17 offices is 82% of the national workload in naturalization. Reports containing information as to the number of repeat applications are available from the naturalization casework system (NACS), so information on repeat

applications will be available for a majority of cases filed with the Service in FY 1987.

QUESTION:

What steps are you taking to meet staffing needs resulting from anticipated increases in naturalization requests, given the fact that you are not requesting any position increases for FY 1987?

ANSWER:

Statistical analysis indicates that the number of naturalization applications will not increase in FY 1987, and that some decrease may be expected. Should an increase occur, however, the Service will endeavor to meet the demand through continued enhancement of the Balanced Adjudications System, the principal aims of which are to remove non-interview and emergent work from offices. Steps currently underway in this regard include conducting a direct mail test of certain applications from the Washington, D.C. and New York areas to the Eastern Adjudications Center in St. Albans, Vermont, and assessing the feasibility of direct mail of all applications from the public to the four regional adjudications centers (RACs). Direct mail, combined with planned establishment of automated processing and data entry centers at RACs is designed to take full advantage of economies of scale through centralization of numerous repetitious tasks. In the long term, efficiencies gained from implementation of these planned activities should assure sufficient staffing at district and suboffices to meet the demands of a steady, or perhaps even slightly rising, workload.

QUESTION:

Will permanent reallocation of resources be made to those districts which face continuing or growing levels of demand?

ANSWER:

Each fiscal year, the Central Office of the Adjudications Program (COADN) computes the percentage of workload projected by Service region and, after taking into account any special consideration with the regions, allocates funding for the year to the regions. Tied into this allocation are the authorized force positions and full-time-equivalent (FTE) funds, also based on projected workload share. Subsequent to this allocation, and consistent with the Balanced Adjudications System (BAS), each Regional Commissioner must furnish COADN with his or her staffing plan, reflecting the staffing level of the Adjudications Program, at each district and suboffice within the region. It is expected that these allocations will be made with each office's proportionate share of regional workload in mind, and it is with this viewpoint that COADN Staff review the regional staffing plans. Any district or suboffice shown to be staffed disproportionately to its share of regional workload must be justified, or the staffing level will be changed. Through this means, the Service assures that offices throughout the country are staffed with their fair share of resources based upon their share of the workload. Accordingly, an office experiencing higher levels of incoming work than others will receive proportionate staffing increases.

QUESTION:

Please provide for the record the district by district figures showing the funds and positions devoted to the naturalization program.

ANSWER:

FY 1986 Estimates

	Permanent Position	Temporary Position	Funding
Anchorage	1.0	0.5	$39,500
Atlanta	9.0	1.0	284,000
Baltimore	6.5	1.6	210,700
Boston	20.3	1.5	585,400
Buffalo	3.5	0.0	95,600
Chicago	20.4	4.0	674,400
Cleveland	12.2	1.5	384,400
Dallas	6.0	1.1	198,900
Denver	4.7	0.8	152,800
Detroit	6.0	0.0	173,400
El Paso	7.0	0.5	215,600
Harlingen	4.0	1.2	142,300
Helena	0.5	0.0	14,500
Honolulu	6.0	0.0	171,600
Houston	7.0	1.0	226,000
Kansas City	3.7	1.5	138,700
Los Angeles	45.0	53.0	2,352,300
Miami	29.0	9.1	1,039,900
Newark	18.0	2.5	543,400
New Orleans	9.0	0.0	263,700
New York	58.0	3.0	1,645,800
Omaha	1.5	0.3	49,700
Philadelphia	10.5	0.3	292,900
Phoenix	8.5	0.8	259,200
Portland, ME	3.0	0.0	81,900
Portland, OR	3.5	0.0	101,200
St. Paul	6.0	0.0	173,400
San Antonio	6.0	1.0	196,700
San Diego	7.0	0.6	212,300
San Francisco	42.5	3.6	1,287,900
San Juan	5.5	0.0	150,200
Seattle	7.5	0.0	216,800
Washington, D.C.	6.5	1.6	210,700
Total	384.8	92.0	12,785,800

QUESTION:

Also provide for the record a district-by-district statistical analysis showing current waiting times for a court hearing in pending naturalization cases.

ANSWER:

District	Court	Waiting Time in Months
Anchorage	USDC Alaska	1.0
Atlanta	USDC Eastern North Carolina	7.0
	USDC Middle North Carolina	9.5
	USDC Western North Carolina	7.0
	USDC South Carolina	7.0
	USDC Northern Georgia	3.5
	USDC Middle Georgia	3.0
	USDC Southern Georgia	3.0
	USDC Northern Alabama	6.0
	USDC Middle Alabama	6.0
	USDC Southern Alabama	6.0
Baltimore	USDC Maryland	4.0
	Montgomery County Court	6.0
Boston	USDC Massachusetts	5.0
	USDC Connecticut	6.7
	USDC Rhode Island	5.0
	USDC New Hampshire	2.0
	Taunton, MA State Court	6.0
Buffalo	USDC Northern New York	2.0
	USDC Western New York	2.0
	Other Courts	3.0
Chicago	USDC Northern Illinois	2.0
	USDC Central Illinois	6.0
	USDC Southern Illinois	6.0
	USDC Northern Indiana	5.0
	USDC Southern Indiana	5.0
	USDC Eastern Wisconsin	1.0
	USDC Western Wisconsin	1.0
Cleveland	USDC Northern Ohio	3.0
	USDC Southern Ohio	2.5
Dallas	USDC Northern Texas	7.0
	USDC Northern Oklahoma	3.5
	USDC Eastern Oklahoma	3.5
	USDC Western Oklahoma	3.5
Denver	USDC Colorado	3.0
	USDC Wyoming	3.0
	USDC Utah	2.0
Detroit	USDC Eastern Michigan	4.0
	USDC Western Michigan	6.0
El Paso	USDC Western Texas	2.0
	USDC New Mexico	1.5
Harlingen	USDC Southern Texas	3.0

District	Court	Waiting Time in Months
Helena	USDC Montana	1.0
	USDC Idaho	1.0
Honolulu	USDC Hawaii	5.0
Houston	USDC Eastern Texas	6.0
	USDC Southern Texas	12.0
Kansas City	USDC Kansas	2.0
	USDC Eastern Missouri	2.0
	USDC Western Missouri	2.0
Los Angeles	USDC Central California	6.5
Miami	USDC Northern Florida	5.0
	USDC Middle Florida	6.0
	USDC Southern Florida	5.0
New Orleans	USDC Eastern Arkansas	3.0
	USDC Western Arkansas	3.0
	USDC Eastern Kentucky	4.0
	USDC Western Kentucky	3.0
	USDC Eastern Louisiana	4.0
	USDC Middle Louisiana	4.0
	USDC Western Louisiana	4.0
	USDC Northern Mississippi	3.0
	USDC Southern Mississippi	9.0
	USDC Eastern Tennessee	3.0
	USDC Middle Tennessee	3.0
	USDC Western Tennessee	4.5
Newark	USDC New Jersey	18.0
	County Superior Courts	5.0
New York	USDC Southern New York	5.0
	USDC Eastern New York	6.0
	Westchester County Court	5.0
Omaha	USDC Northern Iowa	3.0
	USDC Southern Iowa	3.0
	USDC Nebraska	3.0
Philadelphia	USDC Eastern Pennsylvania	6.0
	USDC Middle Pennsylvania	6.0
	USDC Western Pennsylvania	2.0
Phoenix	USDC Arizona	4.0
	USDC Nevada	4.0
	County Courts	6.0
Portland, ME	USDC Maine	5.0
	USDC Vermont	5.0
Portland, OR	USDC Oregon	1.0

District	Court	Waiting Time in Months
St. Paul	USDC Minnesota	3.0
	USDC North Dakota	3.0
	USDC South Dakota	3.0
San Antonio	USDC Western Texas	10.0
San Diego	USDC Southern California	3.5
	El Centro Superior Court	4.0
San Francisco	USDC Northern California	6.0
	USDC Eastern California	6.0
	Superior Courts	5.0
San Juan	USDC Puerto Rico	2.0
	USDC Virgin Islands	2.0
Seattle	USDC Eastern Washington	2.0
	USDC Western Washington	2.0
	USDC Idaho	2.0
Washington, D.C.	USDC District of Columbia	5.0
	USDC Eastern Virginia	5.0
	USDC Western Virginia	5.0

QUESTION:

Legislation has been introduced in the 99th Congress to provide for the option of an entirely administrative naturalization process. What additional costs would be incurred if this legislation were to be enacted and INS could complete the entire naturalization process administratively?

ANSWER:

Assuming that the referenced legislation is H.R. 2184, introduced by Chairman Rodino, INS expects substantial increases in costs to the government upon enactment. The bill restricts naturalization authority to immigration judges, who are in extremely short supply, and are already heavily overburdened with workload. At some Service offices, new cases to be heard by these administrative law judges are being scheduled for a date three years hence. Since many INS district offices and all Service suboffices have no on-site immigration judges to perform naturalization ceremonies, some additional judge positions would become necessary. INS believes the smallest number of new judges required to effect H.R. 2184 would be 20, and that they would be travelling a minimum of half the time. A cost module per new position, with travel included is $78,629 each per year, for a total of $1,572,580 in added costs to the Government. INS studies show that an all administrative naturalization operation with total Service control would save the Government $2,294,900 annually.

QUESTIONS SUBMITTED BY CONGRESSMAN REGULA

IMMIGRATION AND NATURALIZATION SERVICE

Oakdale Facility

QUESTION:

How much has the Oakdale detention facility cost thus far, considering both BOP and INS expenses?

ANSWER:

The Bureau of Prisons has expended $17 million on construction of the facility. INS costs thus far have only included travel and transfer of nine personnel.

QUESTION:

What is the opening date for the facility?

ANSWER:

The facility will be dedicated on March 21, 1986, with the first aliens arriving on or about April 7, 1986.

QUESTION:

Who will be transferred there initially? Will detainees be transferred from other facilities if they already have legal representation?

ANSWER:

Aliens requiring detention from all areas of the country may be housed at Oakdale. Initially, it is expected the current heavy influx in the lower valley of Texas and the border area near San Diego, California, will be the primary sources of aliens to be sent to Oakdale. Aliens whose hearings have already been initiated and have legal representation would require a change of venue.

QUESTION:

It has often been said that the Oakdale facility will be used to detain long-term cases in order to free up immediate turnaround room at border facilities. After the first cases are sent to Oakdale, how will other cases be chosen to be transferred to Oakdale?

ANSWER:

The Service's published transfer policy will be followed. This includes new apprehensions and those cases awaiting appeal or asylum action for housing only. Factors considered included estimated length of stay in detention and availability of detention space in the area of apprehension.

QUESTION:

To what extent will the aliens right to counsel not at the government's expense be available to aliens detained at Oakdale?

ANSWER:

It is difficult to estimate the degree of response from the legal aid community until the facility is actually operating. However, various non-profit groups have already indicated their intention to service the Oakdale population. Local members of the bar have also expressed high interest in practicing at Oakdale and are expected to attend the seminar plannned for next month on practice of immigration law. As at all other facilities we have established, an active group of representatives is expected to grow up around the facility.

Detention

QUESTION:

In general, what is the average length of stay in detention for both Service and non-Service facilities, for aliens under proceedings?

ANSWER:

The following statistics are provided for aliens under proceedings:

Service Processing Centers	19.11 days
Non-Service Detention	11.30 days
Overall Average for Aliens Under Proceedings	15.52 days

QUESTION:

Is it true that today INS detains only about half as many people as it did 10 years ago? If it is true, why is this the case?

ANSWER:

In FY 1975, INS detained 213,026 aliens, compared to 145,989 in FY 1985. The average length of stay in detention is the primary factor leading to reduced detentions. In FY 1975, the average stay was about three days; in FY 1985, the average stay was about ten days. The mix of aliens has also changed dramatically. In FY 1975, 92 percent of the aliens admitted to detention were Mexicans; today Mexicans comprise only 59 percent of the detainee population.

QUESTION:

Do you attribute the increase in length of stay to the detention of people seeking political asylum?

ANSWER:

The number of aliens seeking political asylum is certainly a factor in the increase in length of stay in detention. Each case must be referred to the Department of State for an opinion which necessarily adds time to the process.

Apprehensions

QUESTION:

To what extent is the increase in the number of apprehensions at the Southern border due to the new Border Patrol agents on duty in the past year?

ANSWER:

In the past year, the Border Patrol has put on duty over 700 additional Border Patrol agents along the Southern border. The additional workforce from the 1985 Enhancement Package has resulted in a 28 percent increase in total productive agent workhours from October 1985 to January 1986 as compared to the same four months last year. Border Patrol apprehensions on the Southern border for the first four months of FY 1986 increased by 43.4 percent over FY 1985. While some of this substantial increase can be attributed to the Enhancement Package, the sheer size of the increase in apprehensions exceeds any reasonable amount which could be expected exclusively from the increase in personnel. Analysis of apprehension per hour figures indicated that a significant portion of the increases are the results of both an increased illegal alien flow and new entry attempts across the border and greater effectiveness in using existing sophisticated infrared and low light level night vision detection equipment.

QUESTION:

What is the ratio of aliens apprehended to those you suspect enter? And how has it improved with the new agents on line?

ANSWER:

A number of new initiatives are currently underway to determine appropriate measures for assessing the effectiveness and deterrence level of Border Patrol operations. In the past INS has lacked the capability to make any type of reasonable assessment of this matter. These ongoing initiatives will cover all phases of Patrol operations and will examine in-depth numerous areas intended to better determine the Border Patrol's overall success in preventing illegal entry across our borders. Some of the areas being studied include; apprehension rate analysis by sector and type of activity; effects of technology on detection and apprehensions; measurements of attempted entries and repeater apprehensions (including computerized fingerprint recognition) and alien flow and movement trends developed from alien characteristic profiles, intelligence data gathering and other correlated flow factors.

Recently the Patrol has been encouraged by several developments regarding the potential effectiveness of the Enhancement Package along the Southern border. First, Idaho farmers are now filing (H-2) petitions with the Department of Labor requesting farm laborers. The primary reason cited for their request was that the cost of using illegal aliens being smuggled into the United States has exceeded the cost of employing laborers through the H-2 program and was no longer economical to employ illegal aliens. The cost of smuggling illegal

aliens has gone up in direct response to the increased risks of detection and apprehension of the smuggler and seizure of their vehicles by the Border Patrol. Also, because of the increased activities of the Border Patrol along the Southern border there have been statements by California farm owners that it is becoming more difficult to replace illegal aliens used for farm laborers as they are repeatedly apprehended and deported by the Border Patrol.

Anti-Smuggling Activities Program

QUESTION:

How much has Operation Sojourner and the prosecution of those arrested because of it cost?

ANSWER:

The following cost figures were provided by the INS Western Regional Office.

Prior to indictment	$235,091.25
Post indictment	338,625.06
Total	$573,716.31

QUESTIONS SUBMITTED BY CONGRESSMAN ROGERS

IMMIGRATION AND NATURALIZATION SERVICE

QUESTION:

According to GAO briefing papers, there has been a number of procurement irregularities surrounding the award of a major ADP contract by INS. We've been told that INS violated federal procurement regulations by changing bids after the close of negotiations, favored one contractor over another in evaluating proposals, and violated the terms of its Delegation of Procurement Authority. I understand that these actions led to both a bid protest and a civil suit agains INS. I also understand that an out-of-court settlement was negotiated by INS and the contractors before either GAO or the court rendered a final decision in the case. I am concerned that actions such as these compromise the integrity of the Department's procurement process.

- Can you tell me what internal investigations have been conducted with regard to the conduct of INS personnel involved with this procurement?

- Have there been any recommendations made to you or your management staff regarding the conduct of anyone involved with this procurement? If so, what were these recommendations and what actions has the Department taken as a result of these recommendations?

ANSWER:

The Department has received the General Accounting Office report entitled "ADP Acquisitions: Immigration and Naturalization Service Should Terminate Its Contract and Recompete." We are presently preparing a response to the GAO Report which will be fowarded to the Committee.

On January 25, 1984, INS issued a formal Request for Proposal to solicit offers from firms for computer hardware and associated supporting services. Electronics Data Systems (EDS) and International Business Machines (IBM) responded with proposals in April 1984. After the offers were evaluated by a source evaluation panel established by INS, the agency awarded the Acq II contract to IBM on May 22, 1984. On June 5, 1984, EDS filed a bid protest with the General Accounting Office and a civil suit in federal district court. On January 10, 1985, attorneys for the Civil Division of the Department, on behalf of INS, negotiated an out-of-court settlement with EDS and IBM (and its subcontractors) which was approved by the district court.

With regard to your question as to whether any internal investigations have been conducted it is the policy of the Department of Justice not to confirm or deny the existence of any investigation. This policy is necessary to ensure the integrity of the investigation and to protect the rights of those individuals who are the subject of an investigation. We can assure the subcommittee that any relevant information regarding alleged improprieties has been submitted to the pertinent officials within the Department for review and appropriate action.

QUESTION:

INS made changes both to the size and configuration of the computer systems it was buying almost immediately after the contract was awarded. These changes caused them to exceed their Delegation of Procurement Authority (DPA) by more than $11 million and to buy more computing power than they had originally told GSA they required. Yet INS and the Department never sought an amended DPA from GSA as required by procurement regulations.

- Since the DPA was issued to the Department, was Justice Management Division (JMD) consulted in advance about INS's changes in the systems it was acquiring? If not, why not? If JMD was consulted, why didn't the Department seek an amended DPA?

- If INS's computer needs had changed so radically that it needed to upgrade its system immediately after the contract was awarded and before any equipment was even installed, shouldn't these needs have either been reflected in the original solicitation or the award set aside and the contract re-solicited based on updated requirements? Why was this not done?

ANSWER:

The INS has not exceeded the Delegation of Procurement Authority (DPA) from the General Services Administration for the Acq II contract. The Office of Information Technology (OIT), Justice Management Division, has worked closely with INS since July 1985, regarding the limits of the DPA. Since that time OIT and INS have been working to document changed requirements in order to support a request to GSA to modify the DPA. Additionally, INS management has determined that there is a need to revalidate its information requirements and the potential architectures. Therefore, INS has contracted with the Federal Computer Performance Evaluation and Simulation Center (FEDSIM) of GSA. FEDSIM has expertise in optimum architecture analysis. The results of this study will provide the information base. This analysis will be combined with INS' overall determinations on how best to meet its ADP needs. After this is completed, we will proceed to GSA for approval of any alternation to the DPA. The Department has kept GSA advised of the circumstances regarding the DPA.

QUESTION:

I understand that INS sought and obtained a priority ranking for this contract under the Defense Production Act, stating that this equipment was essential to national security and required to support the Los Angeles Olympics and the 1984 political conventions. I also understand that, even though those events passed while INS was under court injunction not to perform the contract, that the priority ranking was left in the contract and applied to items for which it was never intended.

- What review did the Department perform at the time this rating was requested to ensure that INS needed this kind of priority for this particular equipment?

- Has the Department taken any action to remove this rating from the contract? If not, why not?

ANSWER:

The Department did not review the request regarding a priority rating for the contract under the Defense Production Ac of 1950, as amended (50 U.S.C. App. 2061 et. seq.).

It should be noted that the Defense Production Act, as amended, provides for expedited deliveries and other extraordinary business practices, as necessary, by contractors performing on programs for the Federal Government, or entities designated as critical to national security. The implementing regulations issued by the Department of Commerce (DOC), based on a delegation of authority from the Federal Emergency Management Agency (FEMA), allow for any federal agency to petition DOC to designate formally a clearly defined project as critical to national security. Based on an analysis performed by DOC, FEMA designates a specific program for these privileges. While Department of Defense programs comprise the predominant number of designated programs, several civilian agencies' programs have qualified for preferential treatment.

The Defense Production Act provides for two levels of priority ordering of ADP equipment for government agencies from commercial vendors. One level, known as a DX rating, gives bumping rights to an agency to move to the head of the line for access to necessary equipment. The second level, known as a DO rating, gives an agency access to equipment already ordered but subsequently cancelled by another agency.

INS requested and was granted a DO rating. The DO rating granted INS does not preempt equipment from other DOD elements nor does it put INS at the head of the list. The rating merely allows a vendor to earmark equipment delivery to INS which another requestor has either cancelled or postponed.

QUESTION:

On August 29, 1985, the Department's Procurement Executive, on reviewing this contract for the first time, informed INS that the procedures followed in awarding most of the 17 contract modification executed by INS during the 7 months following the out-of-court settlement were "improper." He went further to suggest that "serious consideration be given to recompetition of further requirements with this procurement to insure that the Government obtains the best price possible." The following day, the Assistant Attorney General for Administration authorized INS to order additional equipment under the contract. But in so doing, he informed the Commissioner: "Our review of the contractual documentation established that in our opinion, the costs for the entire equipment contract may be excessive. If the cost scheduled of the current contract remain in effect, it appears INS may be either spending more money or obtaining less capability than was described in the documentation provided to the General Services Administration at the time the Delegation of Procurement Authority was requested." The same day INS' Chief of Contracts and Procurement determined that it was "in the Government's best interest" to go forward with the $3.7 million buyout of INS' initial lease of equipment (a price 25% above GSA schedule price). In signing the buyout documents, the INS contracting officer noted: "I don't find the issues raised by the Acting Procurement Executive's review to be compelling in a legal sense." In the weeks that followed INS also ordered additional leased equipment.

- When high ranking executives within both INS and the Department were clearly aware that they were paying excessive prices through flawed contracting instruments, why was INS allowed to (a) buy out installed equipment and (b) order additional equipment?

- In view of the fact that (1) the buy-out was for equipment already installed and was simply a year-end spending of money unused by other programs; (2) the first of two additional leased lots was for central processing units, not replacement terminals; (3) the second leased lot was for terminals but a larger number were for new uses, not replacement, do you believe that this procurement was urgent?

- Why was this contract not simply allowed to lapse at the end of the fiscal year, as I understand was suggested by both GAO and a number of Department officials?

ANSWER:

The Department, through the Procurement Executive, reviews proposed contracts and makes recommendations to the contracting entity. The Procurement Executive's role is to assist senior management of an agency in ensuring that proper procurement procedures are followed. Any departure from these procedures, or any substantial deficiency in a significant matter is brought to the attention of the Department's senior officials.

In this circumstance, after receiving the Procurement Executive's advice, INS was obligated to review the advice and determine what action to take. INS determined that the first phase of installed ADP equipment should be purchased because (1) the installed equipment, mostly terminals, was clearly needed to place capability in INS' field component areas; and (2) the buy-out, given the contractual arrangements at the time, would save the government money. INS also determined that the additional installation of equipment was permitted only on a demonstration of critical need and be limited to lease arrangement. INS decided not to purchase the central processing unit equipment associated with regional processing pending further evaluation of INS regional needs. Further, INS determined that allowing the contract to lapse at the end of the fiscal year would have required essential field support to be removed. The INS is critically dependent on this support and major programs would be disrupted. Finally, previously purchased software development would have been made useless by the inability to provide equipment needed for access purposes.

To the degree there are departures from proper procedures in a component of the Department, the senior officials of the Department are advised. Appropriate measures are available, and utilized if corrective actions are not implemented.

QUESTION:

GAO has pointed out that all of the equipment INS has acquired under this contract so far has been priced above GSA Schedule prices, some by as much as 25%, as a result of terms INS agreed to shortly after it negotiated the out-of-court settlement. GAO points out further that the same equipment could reasonably be expected to cost up to 30% less than GSA schedule prices in a competitive procurement.

This means that this contract, if left alone, could end up costing the taxpayers $16 to $32 million more than necessary.

- What steps has the Department taken to ensure that these costs are not incurred?

- Has the Department committed itself to recompeting Lots 1B and 2A, since these contracts are still significantly above the GSA schedule of prices?

ANSWER:

INS has committed to reevaluate its information requirements, including an architectural analysis of options, prior to proceeding further with implementing its automation program. This will result in a comprehensive long-range plan. In making this commitment, INS has frozen all acquisitions beyond Lot 2A of the Acq II contract. INS has also concluded that if the plan now being developed determines it appropriate, any present requirements shall be recompeted. As previously noted, INS has contracted with FEDSIM to do an architectural analysis while it is developing a comprehensive long-range plan. OIT and INS are working together to ensure that the entire process provides automation sufficient to meet INS needs at a reasonable cost. OIT and INS senior management meet regularly to ensure coordination on such ADP issues.

QUESTION:

INS has virtually exclusive use of the Department's data center in Dallas and is a major user of the Department's main data center in Washington. These two data centers are a significant expense to the Department. Has JMD studied the impact on its data center operations of INS installing its own, fairly large computer? If so, what are the results of that study? If not, what assurance does this subcommittee have that INS is not acquiring computing capabilities that duplicate those already available through the Department's data centers?

ANSWER:

JMD operates large scale ADP common user facilities for over forty-three user organizations from two geographically dispersed data centers. The JMD continually monitors the utilization of the eight mainframe computers currently installed. Monitoring is accomplished using a comprehensive capacity management system. This monitoring capability allows the Department to assess current workload impact and assist in predicting the impact of contemplated future actions. The Department and INS are proceeding with an evaluation study to determine the extent of regionalization appropriate for INS needs. This study will be completed in the fall of this year and will include an analysis of INS needs in the context of JMD's overall capabilities.

QUESTION:

Please list all Departmental recommendations concerning ways to address the serious procedural difficulties indicated in the award, pricing and modifications of this contract and the future of this contract. Please list all INS actions taken on these recommendations.

. Please list all internal auditors recommendations on the subject of this contract and all INS actions taken on these recommendations.

ANSWER:

The Assistant Attorney General for Administration has recommended a number of actions regarding the Acq II contract pricing and procurement, as has the Department's Procurement Executive. On August 30, 1985, the Assistant Attorney General's recommendations included: price renegotiation for equipment and software, advance approval for any further contract modifications, deferment of acquisitions beyond Lot 2A until an evaluation of the current configuration is completed and the development of a long-range plan to be submitted to the Department for approval. On November 12, 1985, further recommendations were made. These included development of a joint INS/JMD management plan for administering the contractor-conducted architectural analysis and feasibility study of alternative systems, continuation of the Acq II freeze, and recompetition of the Acq II contract beyond Lot 2A.

QUESTION:

Please list all investigatory measures you have taken on this subject since you took office.

ANSWER:

As we explained in response to the first question, it is the Department's policy not to confirm or deny the existence of any investigation.

QUESTION:

Please list all disciplinary measures you have taken on this subject since you took office.

ANSWER:

It is general policy of the Department not to disclose internal disciplinary actions. This policy emanates from an obligation to protect the privacy interests of a particular employee as well as ensuring the effectiveness of any action taken. Moreover, any personnel action in this matter falls within the management responsibilities of INS. The Department's general policy is to place the responsibilty for disciplinary action with the particular bureau that employs the individual, and not to interfere with these responsibilities.

QUESTION:

Please list all steps you have taken to reduce the excessive costs of this contract since taking office.

ANSWER:

As previously noted, several actions have been taken to ensure the cost-effectiveness of this major ADP acquisition. The primary action taken was to freeze all future acquisitions until INS' ADP needs could be reevaluated. To accomplish this we have put into place the

mechanisms for an architectural analysis, an evaluation of the need for regionalization, and a feasibility study of alternative systems. All of these will be incorporated into a comprehensive long-range plan to be submitted to the Department for approval. In addition, senior officials in JMD are working closely with INS to develop a joint JMD/INS management plan in order to coordinate these ADP issues and to assist in the implementation of the recommendations resulting from these studies.

QUESTION:

GAO has pointed repeatedly to serious inadequacies in the DOJ management structure with respect to JMD. Throughout this process, it appears that GAO's concerns have been well placed. Despite the fact that JMD repeatedly sought to prevent such procurement abuses as have apparently occurred, their recommendations seem to have had little, if any, effect. Please list all recommendations which you have made to strengthen the hand of JMD. What steps have been taken to implement these recommendations? Please list all proposals or recommendations made by GAO or internal sources to strengthen the hand of JMD. What actions have been taken to implement these recommendations?

ANSWER:

The Department has taken several actions designed to improve its overall management and effectiveness. A Justice Management and Productivity Improvement Program is presently being implemented. This program seeks to develop an integrated management system. As part of the Attorney General's program in this area, he has established a Department Resources Board. The Department Resources Board reviews and determines requests and makes allocations of resources. Under the leadership of the Department Resources Board, plans call for the integration of the budget and management planning processes, and the improvement of the budget formulation process. Attention is also being directed towards improving the effectiveness and management of the Department's information resources and financial operations. Emphasis is focused in all areas on monitoring program effectiveness and decisionmaking. The Attorney General's program seeks to improve the overall effectiveness and management within the Department by establishing standards for which individuals will be held accountable.

QUESTION:

In view of the highly questionable practices, in view of the Department's failure to address these practices effectively, in view of the Department's failure to correct the management inadequacies that allow such practices to occur and in view of the serious effect on our taxpayers and the integrity of the contracting process; can you give any reason why Congress should not expeditiously place a statutorily independent Inspector General in DOJ as a first step in giving you a badly needed watchdog?

ANSWER:

There exist sufficient mechanisms within the Department to address circumstances of mismanagement. To the degree necessary in these circumstances, appropriate review and action has or will be undertaken. Moreover, the Department's structure with regard to inves-

tigation of improprieties is stronger and more comprehensive than any statutory Inspector General. Creation of a statutory Inspector General within the Department of Justice would have a deleterious impact upon the Department's programs, particularly in its investigative, litigative and law enforcement responsibilities.

FRIDAY, MARCH 7, 1986.

GENERAL LEGAL ACTIVITIES

WITNESS

D. LOWELL JENSEN, DEPUTY ATTORNEY GENERAL

Mr. EARLY [presiding]. The Committee will come to order.

This morning the first item we shall consider is the fiscal year 1987 budget request for General Legal Activities of the Department of Justice. The request is for $584,099,000, which is an increase of $79,949,000 over the amount appropriated for fiscal year 1986 adjusted for sequestration under Public Law 99-177.

I would add that this request includes funds for the operation of the United States Attorneys which were funded in a separate appropriation for fiscal year 1986. We shall insert the justification materials at this point in the record.

[The justification materials follow:]

DEPARTMENT OF JUSTICE

General Legal Activities

Budget Estimates, Fiscal Year 1987

Table of Contents

Item	Number
Appropriation Level Material	
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	8
Financial Analysis - Program Changes	10
Status of Congressionally Requested Studies, Reports and Evaluations	11
Summary of Permanent Positions by Category	12
Summary of Adjustments to Base	13
Justification of Adjustments to Base	14
Summary of Requirements by Grade and Object Class	19
Consulting and Related Services	21
Organization Level Material	
Solicitor General	
Organization Chart	22
Summary of Requirements	23
Justification of Program and Performance	24
Detail of Permanent Positions by Category	27
Tax Division	
Organization Chart	28
Crosswalk of 1986 Changes	29
Summary of Requirements	30
Summary of Resources by Program	31
Justification of Program and Performance	32
Financial Analysis - Program Changes	52
Priority Program Rankings	53
Detail of Permanent Positions by Category	54

Item	Number
Criminal Division	
Organization Chart	55
Crosswalk of 1986 Changes	56
Summary of Requirements	57
Summary of Resources by Program	58
Justification of Program and Performance	59
Financial Analysis - Program Changes	97
Priority Program Rankings	99
Detail of Permanent Positions by Category	100
Civil Division	
Organization Chart	101
Crosswalk of 1986 Changes	102
Summary of Requirements	103
Summary of Adjustments to Base	104
Summary of Resources by Program	105
Justification of Program and Performance	106
Financial Analysis - Program Changes	129
Priority Program Rankings	130
Detail of Permanent Positions by Category	131
Land and Natural Resources Division	
Organization Chart	132
Crosswalk of 1986 Changes	133
Summary of Requirements	134
Summary of Resources by Program	135
Justification of Program and Performance	136
Financial Analysis - Program Changes	166
Priority Program Rankings	167
Detail of Permanent Positions by Category	168
Office of Legal Counsel	
Organization Chart	169
Summary of Requirements	170
Justification of Program and Performance	171
Detail of Permanent Positions by Category	174

Item	Page Number
Civil Rights Division	
Organization Chart	175
Crosswalk of 1986 Changes	176
Summary of Requirements	177
Summary of Resources by Program	178
Justification of Program and Performance	179
Priority Program Rankings	210
Detail of Permanent Positions by Category	211
INTERPOL	
Organization Chart	212
Summary of Requirements	213
Justification of Program and Performance	214
Detail of Permanent Positions by Category	220
Legal Activities Office Automation	
Summary of Requirements	221
Justification of Program and Performance	222
Financial Analysis - Program Changes	224
United States Attorneys	
Organization Chart	225
Crosswalk of 1986 Changes	226
Summary of Requirements	227
Summary of Resources by Program	228
Justification of Program and Performance	229
Financial Analysis - Program Changes	249
Priority Program Rankings	250
Detail of Permanent Positions by Category	251

999

Legal Activities

Salaries and expenses, General Legal Activities

Summary Statement

Fiscal Year 1987

The Attorney General is requesting a total of 9,061 permanent positions, 8,962 full-time equivalent (FTE) workyears and $584,099,000 for the General Legal Activities appropriation in 1987. This request represents an increase over the 1986 appropriation of 5,964 permanent positions, 5,836 FTE workyears, and $379,099,000. Included in the 1987 request is the transfer of 5,833 positions, 5,711 FTE workyears and $349,629,000 for the U.S. Attorneys Offices. The Department proposes to incorporate the U.S. Attorneys activity within the General Legal Activities Appropriation in FY 1987.

The General Legal Activities appropriation supports the Attorney General through the establishment of litigative policy, the conduct of litigation and the performance of other legal responsibilities. The organizations, their major responsibilities and associated resource requirements are summarized below.

Conduct of Supreme Court proceedings and review of appellate matters

This activity is responsible for the conduct and supervision of all aspects of government litigation in the U.S. Supreme Court and approval of all federal appellate actions brought by the United States. A technical adjustment to the base of four positions is requested to establish an appropriate relationship between authorized positions and full-time permanent workyears.

General tax matters

This activity is responsible for representation of the United States in both civil and criminal litigation arising under the internal revenue laws. A program increase of 12 positions, 8 FTE workyears and $475,000 is requested to respond to increased caseloads in the federal appellate area. An additional 5 positions, 3 FTE workyears and $188,000 are requested to support full participation in the organized crime drug enforcement initiative. Also included in this request is a program decrease of 12 positions, 12 FTE workyears and $660,000 for the Division's civil tax enforcement activity in response to an expected reduction in summons enforcement activity case receipts. Finally, a $69,000 decrease for management and productivity savings is included as an adjustment to base.

Criminal matters

The supervision and conduct of prosecutions of offenses arising under most federal criminal laws are conducted by this activity. A program increase of 28 permanent positions, 14 FTE workyears and $844,000, partially offset by a decrease of 15 permanent positions, 18 FTE workyears and $682,000, is requested for 1987. The additional resources requested are required for organized crime prosecutions; narcotics and dangerous drug prosecutions; the coordination of transactions with foreign governments; and, Defense Department procurement fraud prosecutions. The increase of investigative resources in the area of organized crime has resulted in the need to augment the Division's prosecutive efforts. Additional prosecutorial leadership to the U.S. Attorneys and the Drug Task Forces is also needed to address the growing workload in this area. Increases are needed for the Division's Office of International Affairs to address the growing volume of transactions occurring between the United States and foreign governments. Assistance will also be provided to the Tax Division in supporting its work in the international tax shelter area. The Criminal Division is also requesting increases for its Defense Procurement Fraud Unit which serves as a central clearinghouse for nationally significant Defense procurement fraud investigations. The program reductions entail termination of the summer employment program; honor graduate employment program; and the on-site inspection of records maintained by registrants under the Foreign Agents Registration Act. Other program reductions include the curtailment of supervision involving responses to Freedom of Information and Privacy Act requests; the taking of a less active role in the protected witness program; the reduction of regular mail transfers between buildings; and, the curtailment of analytical assistance to policy makers outside the Criminal Division.

Claims, customs and general civil matters

This activity has responsibility for the litigation of civil cases initiated by and brought against the United States or its officers. A program increase of 72 permanent positions, 54 FTE workyears and $5,755,000 is requested for the Division's torts and commercial litigation areas. A majority of the requested enhancements would be used to address the projected increases in 1987 in defensive litigation. Claims against the government in 1987 are expected to grow from 16,825 cases estimated in 1986 to over 21,000, an increase of 25 percent. The dollar value of these claims will increase from $21 billion to over $25 billion. The request will enable the Division to defend the United States against claims in Atomic Weapon contractor cases, protect the Government's creditor rights in Rural Electrification Administration (REA) in major utility loan default and bankruptcy cases and provide additional automated litigation support services to process documents relating the asbestos cases. Addlitionally, these resources will provide stronger support ror the Administration's efforts to recover money lost through fraud, (including DOD procurement fraud) waste and abuse.

Land, natural resources and Indian matters

This activity conducts litigation of civil and criminal matters relating to areas such as the exploration and development of minerals and energy resources from federal lands, the control of pollution and hazardous waste, the conservation of wetlands and wildlife, and the general protection of the physical environment. A program increase of 11 permanent positions, 6 FTE workyears and $373,000, offset by a program reduction of 5 permanent positions, 5 FTE workyears and $225,000, is requested for 1987. A further reduction of 4 permanent positions, 4 FTE workyears and $36,000 is proposed as an adjustment to base resulting from management and productivity savings. Additional increases for the Division's Environmental Defense program will help address the rapid increase in the number of cases alleging violations of environment laws by federal agencies; new provisions of the Resource Conservation and Recovery Act (RCRA) amendments; an increase in suits to compel the Environmental Protection Agency (EPA) to comply with statutory deadlines; and, an increase in the number of petitions for review of final rules. The program reduction of 5 positions, 5 FTE workyears and $225,000 to the Land Acquisition program is possible because of increasing efficiency in the Land Acquisition Section and anticipated savings from a pending management review of the section.

Legal Opinions

This activity is responsible for serving as legal advisor to the President, the Attorney General and Executive agencies and for review of proposed Executive Orders and proclamations of the President as to form and legality. Also reviewed are proposed orders of the Attorney General, and all regulations requiring the Attorney General's approval.

Civil rights matters

Criminal and civil enforcement of federal civil rights laws, coordination of civil rights investigations and matters within the Department, monitoring certain civil rights decrees by order of federal courts, and assisting federal, state and local agencies in responding to and complying with federal civil rights laws are all responsibilities of this activity.

INTERPOL-USNCB

This activity is responsible for providing efficient communications for law-enforcement programs between this country, other International Criminal Police Organization (INTERPOL) member countries, and the INTERPOL headquarters.

Legal Activities Office Automation

The Department is requesting $10,000,000 in 1987 to establish a centralized fund for the development and acquisition of modern office automation systems for the various legal divisions and U.S. Attorneys offices. The recent explosion in litigative caseload and the increasing sophistication of opposing counsel mandate an upgrade of existing office management capabilities to enhance the productivity and effectiveness of the Department's litigating offices. Through joint planning and acquisition of modern office mangement systems by the Department's litigating components, economies of scale may be achieved through larger competitive procurements, and greater systems compatibility will promote efficiencies in the exchange of information between organizational elements.

U.S. Attorneys

The U.S. Attorneys are responsible for the prosecution of criminal offenses against the United States and the representation of the U.S. Government in civil actions, suits or proceedings in which the United States is concerned. A program increase of 35 positions, 79 FTE workyears and $4,189,000 is requested for the U.S. Attorneys. Specifically, the U.S. Attorneys are seeking an increase of 16 positions, 45 FTE workyears and $2,445,000 for the Criminal Litigation program to reduce the lapse rate for Assistant United States Attorney positions, and to enhance narcotics and dangerous drugs prosecutions. In addition, 19 positions, 34 FTE workyears and $1,744,000 are requested for the Civil Litigation program to reduce the lapse rate for Assistant United States Attorney positions and to protect the financial interests of the United States by enhancing resources devoted to defense of monetary claims.

59-584 O—86——22

Legal Activities

Salaries and expenses, General Legal Activities

Justification of Proposed Changes in Appropriation Language

The 1986 budget estimates include proposed changes in appropriation language listed and explained below: New Language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, General Legal Activities

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and rent of private or Government-owned space in the District of Columbia; [$205,000,000] , of which not to exceed $584,029,000
$6,000,000 for litigation support contracts shall remain available until September 30, [1987] : Provided, That of the funds available 1988
in this appropriation, $10,000,000 shall be available for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys and the Antitrust Division, to remain available until expended: Provided further, That amounts obligated for United States Attorneys under the title, Salaries and expenses, United States Attorneys, Marshals, and Trustees, shall be merged under this appropriation.

(19 U.S.C. 1619; 21 U.S.C. 886; 28 U.S.C. 501, 505-506, 510-520, 524-526, 541-550; 48 U.S.C. 1424, 1617, 1694; 50 U.S.C. App. 6; Department of Justice Appropriation Act, 1986; additional authorizing legislation to be proposed.)

Explanation of changes

The Department is including the United States Attorneys in the General Legal Activities appropriation for 1987. The language for the U.S. Attorneys and Trustees for 1986 contained no special authorities or restrictions.

Legal Activities

Salaries and expenses, General Legal Activities

Crosswalk of 1986 Changes

(Dollars in thousands)

Budget Activity	1986 Budget Request as amended			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation		
	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.
Appropriated												
1. Conduct of Supreme Court proceedings and review of appellate matters	45	54	$3,758	...	...	($25)	...	...	...	45	54	$3,733
2. General tax matters	634	644	34,639	...	...	(169)	...	...	...	634	644	34,470
3. Criminal matters	756	728	45,038	...	...	(306)	...	...	...	756	728	44,732
4. Claims, customs and general civil matters	832	855	72,562	...	...	(1,033)	...	...	...	832	855	71,529
5. Land, natural resources and Indian matters	347	338	23,079	...	...	(527)	...	...	...	347	338	22,552
6. Legal opinions	35	39	2,278	...	...	(18)	...	...	...	35	39	2,260
7. Civil rights matters	404	424	22,999	...	...	(189)	...	...	...	404	424	22,810
8. INTERPOL-USNCB	44	44	2,930	...	...	(16)	...	...	...	44	44	2,914
Total, appropriated	3,097	3,126	207,283	0	0	(2,283)	0	0	0	3,097	3,126	205,000

Congressional Appropriation Actions

Congress reduced the restoration of the proposed five percent pay reduction in salaries for federal civilian employees by $860,000 and the appropriation's relocation amendment by $1,307,000. Congress also applied a further unspecified reduction totaling $116,000.

Legal Activities

Salaries and Expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted (appropriation anticipated)	3,097	3,126	$205,000
Savings resulting from management initiatives	(6)	(6)	(257)
Transfer from other accounts in budget year*	5,833	5,711	349,629
Uncontrollable increases	4	0	11,161
Decreases (automatic non-policy)	0	0	(1,691)
1987 Base	8,930	8,833	563,842

Estimates by Budget Activity	1985 Actual Perm. Pos.	1985 Actual Tot. FTE	1985 Actual Amount	1986 Appropriation Perm. Pos.	1986 Appropriation Tot. FTE	1986 Appropriation Amount	1987 Base Perm. Pos.	1987 Base Tot. FTE	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate Tot. FTE	1987 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease Tot. FTE	Increase/Decrease Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	45	50	$3,638	45	54	$3,733	49	54	$3,937	49	54	$3,937	0	0	0
2. General tax matters	634	626	32,750	634	644	34,470	634	644	35,099	639	643	35,102	5	(1)	3
3. Criminal matters	756	702	42,373	756	728	44,732	756	728	46,985	769	724	47,147	13	(4)	162
4. Claims, customs and general civil matters	832	828	67,880	832	855	71,529	832	855	74,347	904	909	80,102	72	54	5,755
5. Land, natural resources and Indian matters	347	323	22,150	347	338	22,552	343	334	24,197	349	335	24,345	6	1	148
6. Legal opinions	35	29	1,859	35	39	2,260	35	39	2,366	35	39	2,366	0	0	0
7. Civil rights matters	404	424	22,619	404	424	22,810	404	424	24,141	404	424	24,141	0	0	0
8. INTERPOL-USNCB	30	32	2,376	44	44	2,914	44	44	3,141	44	44	3,141	0	0	0
9. Independent Counsel	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0
10. Office automation fund	0	0	0	0	0	0	0	0	0	0	0	10,000	0	0	10,000
11. U.S. Attorneys	0	0	0	0	0	0	5,833	5,711	349,629	5,868	5,790	353,818	35	79	4,189
Total	3,083	3,014	195,693	3,097	3,126	205,000	8,930	8,833	563,842	9,061	8,962	584,099	131	129	20,257
Reimbursable FTE		6			6			6			6			0	
Allocation (Superfund)		78			87			87			87			0	
Total FTE ceiling		3,098			3,219			8,926			9,055			129	
Holiday & Overtime*		39			34			75			75			0	
Total, compensable workyears		3,137			3,253			9,001			9,130			129	

*The transfer of $349,629,000 from the U.S. Attorneys' appropriation includes adjustments to base totaling 10 positions, 228 FTE workyears and $27,827,000.
*Holiday and overtime workyears are lower than the amounts reflected in the President's Budget Appendix because workyears associated with the Antitrust Division's use of overtime were erroneously included in the Appendix.

Legal Activities

Salaries and expenses, General Legal Activities

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985

(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted			Funds Sequestered				
													4.3%	Reprogrammings			Rev.
	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Reduc.	Pos.	FTE	Amt.	Amt.
1. Conduct of Supreme Court proceedings and review of appellate matters																	
a. Federal appellate activity	45	54	$3,758	...	...	($25)	...	...	...	45	54	$3,733	($161)	...	...	...	$3,572
Subtotal	45	54	3,758	0	0	(25)	0	0	0	45	54	3,733	(161)	0	0	0	3,572
2. General tax matters																	
a. Federal appellate activity	90	91	4,961	...	...	(21)	...	...	...	90	91	4,940	(212)	...	...	...	4,728
b. Criminal tax prosecution	106	107	6,577	...	...	(25)	...	...	...	106	107	6,552	(282)	...	...	...	6,270
c. Civil tax litigation	331	326	17,978	...	...	(76)	...	...	...	331	326	17,902	(770)	...	...	...	17,132
d. OCDE	9	9	699	...	...	(2)	...	...	...	9	9	697	(30)	...	...	...	667
e. Management & administration	98	111	4,424	...	...	(45)	...	...	...	98	111	4,379	(188)	...	...	...	4,191
Subtotal	634	644	34,639	0	0	(169)	0	0	0	634	644	34,470	(1,482)	0	0	0	32,988
3. Criminal matters																	
a. Federal appellate activity	29	29	1,843	...	...	(13)	...	...	...	29	29	1,830	(79)	...	...	...	1,751
b. Organized crime prosecution	240	227	14,573	...	...	(102)	...	...	...	240	227	14,471	(622)	...	...	...	13,849
c. Public integrity	35	34	2,216	...	...	(16)	...	...	...	35	34	2,200	(94)	...	...	...	2,106
d. Fraud	75	69	4,894	...	...	(34)	...	...	...	75	69	4,860	(209)	...	...	...	4,651
e. Narcotics and dangerous drugs	31	29	1,872	...	...	(13)	...	...	...	31	29	1,859	(80)	...	...	...	1,779
f. Internal security	32	31	1,974	...	...	(14)	...	...	...	32	31	1,960	(84)	...	...	...	1,876
g. General lit. and legal advice	52	50	3,273	...	...	(23)	...	...	...	52	50	3,250	(140)	...	...	...	3,110
h. Office of special invest	47	47	3,149	...	...	(22)	...	...	...	47	47	3,127	(134)	...	...	...	2,993
i. Prosecution support	120	115	5,954	...	...	(42)	...	...	...	120	115	5,912	(254)	...	...	...	5,658
j. OCDE	6	6	602	...	...	(4)	...	...	...	6	6	598	(26)	...	...	...	572
k. Management & administration	89	91	4,688	...	...	(23)	...	...	...	89	91	4,665	(201)	...	...	...	4,464
Subtotal	756	728	45,038	0	0	(366)	0	0	0	756	728	44,732	(1,923)	0	0	0	42,809
4. Claims, customs and general civil matters																	
a. Federal appellate activity	64	70	4,212	...	...	(79)	...	...	...	64	70	4,133	(178)	...	...	...	3,955
b. Torts litigation	200	205	26,648	...	...	(268)	...	...	...	200	205	26,400	(1,135)	...	...	...	25,265
c. Commercial litigation	225	228	15,106	...	...	(282)	2	2	...	227	230	14,824	(637)	...	...	...	14,187
d. Federal programs	172	178	17,022	...	...	(214)	...	...	...	172	178	16,808	(723)	...	...	...	16,085
e. Consumer litigation	35	37	1,852	...	...	(44)	...	...	...	35	37	1,708	(77)	...	...	...	1,711
f. Immigration litigation	30	30	2,824	...	...	(37)	...	...	...	30	30	2,787	(120)	...	...	...	2,667
g. Management & administration	106	107	4,918	...	...	(129)	(2)	(2)	...	104	105	4,789	(206)	...	...	...	4,583
Subtotal	832	855	72,562	0	0	(1,033)	0	0	0	832	855	71,529	(3,076)	0	0	0	68,453

Legal Activities

Salaries and expenses, General Legal Activities

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985

(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted			Funds Sequestered				
													4.3%	Reprogrammings			
	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Reduc.	Pos.	FTE	Amt.	Rev. Amt.
5. Land, natural resources and Indian matters																	
a. Federal appellate activity	27	28	$1,535	...	...	($8)	...	...	...	27	28	$1,527	($66)	...	...	...	$1,461
b. Land acquisition	54	49	2,677	...	...	(241)	...	...	...	54	49	2,436	(105)	...	...	...	2,331
c. Environmental protection	132	130	8,942	...	...	(39)	...	...	...	132	130	8,903	(383)	...	...	...	8,520
d. General litigation	93	95	7,505	...	...	(216)	...	...	...	93	95	7,289	(313)	...	...	...	6,976
e. Management & administration	41	36	2,420	...	...	(23)	...	...	...	41	36	2,397	(103)	...	...	...	2,294
Subtotal	347	338	23,079	0	0	(527)	0	0	0	347	338	22,552	(970)	0	0	0	21,582
6. Legal opinions																	
a. Legal opinions	35	39	2,278	...	...	(18)	...	...	...	35	39	2,260	(97)	...	...	...	2,163
Subtotal	35	39	2,278	0	0	(18)	0	0	0	35	39	2,260	(97)	0	0	0	2,163
7. Civil rights matters																	
a. Federal appellate activity	30	30	1,784	...	...	(15)	2	2	107	32	32	1,798	(77)	...	...	...	1,721
b. Civil rights prosecution	65	66	2,477	...	...	(21)	...	...	153	65	66	2,559	(110)	...	...	...	2,449
c. Special litigation	35	36	2,277	...	...	(18)	2	2	136	37	38	2,339	(101)	...	...	...	2,238
d. Voting	68	71	3,136	...	...	(27)	...	...	197	68	71	3,306	(142)	...	...	...	3,164
e. Employment litigation	61	63	3,339	...	...	(29)	2	2	182	63	65	3,092	(150)	...	...	...	3,342
f. Coordination and review	39	42	2,136	...	...	(19)	...	...	123	39	42	2,240	(96)	...	...	...	2,144
g. Housing and civil enforcement	33	34	1,815	...	...	(15)	...	...	101	33	34	1,901	(82)	...	...	...	1,819
h. Educational opportunities	33	33	1,751	...	...	(15)	...	...	98	33	33	1,834	(79)	...	...	...	1,755
i. Management & administration	60	71	4,462	...	...	(30)	(6)	(6)	(1,095)	54	65	3,341	(144)	...	...	...	3,197
Subtotal	404	424	22,999	0	0	(189)	0	0	0	404	424	22,810	(981)	0	0	0	21,829
8. INTERPOL-USNCB																	
a. INTERPOL-USNCB	44	44	2,930	...	...	(16)	...	...	...	44	44	2,914	(125)	...	...	...	2,789
Subtotal	44	44	2,930	0	0	(16)	0	0	0	44	44	2,914	(125)	0	0	0	2,789
Total, appropriated	3,097	3,126	207,283	0	0	(2,383)	0	0	0	3,097	3,126	205,000	($8,815)	0	0	0	196,185

Legal Activities

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Budget Activity

Item	Tax matters		Criminal matters		Clai., customs and general civil matters		Land, natural resources and Indian matters		Legal activities office automation		United States Attorneys		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
GS/GM-15	...	...	4	$209	3	$156	1	$52	...	...	...	...	8	$417
GS/GM-14	4	$170	5	221	6	267	3	133	...	...	...	...	18	791
GS/GM-13	1	29	4	150	30	1,120	...	...	...	...	...	...	35	1,300
GS-12	(3)	(98)	(6)	(191)	...	...	...	...	...	...	...	...	(9)	(289)
GS-11	...	...	(1)	(26)	...	...	1	36	...	...	2	$52	2	52
GS-9	...	...	...	...	12	262	...	...	...	...	16	350	28	612
GS-7	...	...	...	...	3	54	1	35	...	...	11	196	15	265
GS-6	3	48	3	48	18	289	...	...	...	...	...	...	24	385
GS-5	...	...	4	57	...	...	...	...	...	...	...	...	4	57
Upgraded	...	...	...	...	...	...	...	...	...	...	6	331	6	331
Total positions and annual rate	5	$57	13	$469	72	2,156	6	226	...	...	35	929	131	3,937
Lapse (-)	(6)	(197)	(14)	(441)	(18)	(529)	(5)	(174)	...	...	(9)	(274)	(52)	(1,625)
Reduction of lapse	...	...	...	...	...	...	...	...	...	...	53	3,060	53	3,060
Other than personnel	...	...	(3)	(42)	...	...	...	...	...	...	...	...	(3)	(42)
Total workyears and pers. compensation	(1)	(40)	(4)	(14)	56	1,617	1	32	0	0	79	3,715	129	5,330
Personnel benefits		(6)		1		172		6		...		77	0	250
Travel and transportation of persons		(4)		20		402		36		...		60	0	514
Transportation of things		(2)		8		32		...		...		4	0	42
GSA rent		9		7		298		(13)		...		70	0	361
Rental payments to others		3		...		...		1		...		...	0	4
Comm.,util.,misc. charges		(1)		19		448		...		8138		37	0	633
Printing		4		9		36		...		...		16	0	85
Other services		11		17		2,613		45		4,600		148	0	7,434
Supplies		13		23		60		10		...		10	0	124
Equipment		14		72		67		11		5,270		44	0	5,480
Total	(1)	3	(4)	162	56	5,735	1	148	0	10,000	79	4,189	129	20,237

676

Legal Activities

Salaries and expenses, General Legal Activities

Status of Congressionally Requested Studies, Reports, and Evaluations

The Senate Report relating to the Department of Justice Appropriation Act, 1986, required the Department to complete an assessment of the feasibility and utility of establishing a task force on intellectual property rights violations by December 16, 1985. In connection with this request, the Criminal Division has begun a review of the nature and scope of criminal activity in the field of intellectual property, particularly counterfeit trademark problems. A preliminary report has been drafted, and a formal submission should be available by February 21, 1986.

Legal Activities

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category

Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987				
			U.S. Attorneys Transfer	Adjustments to Base	Program Decreases	Program Increases	Total
Attorneys	1,603	1,603	2,654	...	(19)	81	4,319
Paralegal Specialists	213	215	367	2	(1)	31	614
Other Legal and Kindred	71	69	979	...	...	...	1,048
Social Sciences, Economics and Kindred	23	23	2	...	(1)	10	34
Personnel Management	1	1	28	...	...	...	29
General Administrative, Clerical and Office Services	1,142	1,156	1,771	(2)	(5)	36	2,956
Accounting and Budget	19	19	12	...	(1)	...	30
Information and Arts Group	3	3	...	...	...	...	3
Supply Group	1	1	2	...	...	...	3
Other Miscellaneous	7	7	18	...	...	...	25
TOTAL	3,083	3,097	5,833	...	(27)	158	9,061
WASHINGTON	2,778	2,792	187	...	(27)	107	3,059
U.S. FIELD	304	304	5,646	...	...	51	6,001
FOREIGN FIELD	1	1	...	...	...	...	1
TOTAL	3,083	3,097	5,833	...	(27)	158	9,061

Summary of Adjustments to Base

	Perm. Pos.	Work-years	Amount
1986 as enacted	3,097	3,126	$205,000
Savings resulting from management initiatives	(4)	(4)	(257)
Transfer from other accounts in budget year	5,833	5,711	349,629
Uncontrollable increases:			
Within-grade increases	...	...	1,208
Health benefits costs	...	...	119
GSA Rent	...	...	5,997
GSA recurring reimbursable services	...	...	41
Postal service increases	...	...	64
Telephone system line charges	...	...	687
Departmental printing and reproduction costs	...	...	59
GPO printing costs	...	...	48
General pricing level adjustment	...	...	1,596
Foreign allowances	...	...	4
Private Counsel	...	...	10
Foreign Counsel	...	...	21
Adjustment to permit staffing of additional permanent position	4	...	...
Annualization of 1986 relocation amendment	...	...	1,307
Total, uncontrollable increases	4	0	11,161
Decreases (automatic non-policy):			
Relocation amendment	...	...	(1,404)
Nonrecurring costs for equipment	...	...	(82)
FTS decrease	...	...	(205)
Total, decreases	0	0	(1,691)
1987 Base	8,930	8,833	363,842

Legal Activities
Salaries and expenses, General Legal Activities
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives	-4	-4	-$257
The Department will be able to achieve some savings in GSA rent by reducing space needs because of a forced relocation. Furthermore, mail messenger services and other government-wide services will be reduced as a result of management improvements.			
Transfer from U.S. Attorneys in budget year	5,833	5,711	349,629
Uncontrollable increases:			
1. Within-grade increases	...	...	1,208
This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $1,075,265 and benefits $132,735 = $1,208,000).			
2. Health benefits costs	...	...	119
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Governments' share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately four percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $119,000 provides funds for increased costs from pay period No. 2 ($89,950) to pay period No. 3 ($94,510) projected for 26 pay periods.			

	Perm. Pos.	Work-years	Amount
3. GSA Rent	...	...	$5,997

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. Our uncontrollable increase of $5,997,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

4. GSA recurrring reimbursable services	...	...	41

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $41,000 over 1986 charges of $911,000.

5. Postal service increases	...	...	64

In 1985, the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $64,000 provides for a 10 percent increase over the 1985 budgeted base of $640,000.

6. Telephone system line charges	...	...	687

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110 percent. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition, the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while ehancing operations capabilities, the Department will replace the current CENTREX II system with modern, nonblocking, digitally based integrated voice and data Private Branch Exchanges (PBX). Funding of $687,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988

	Perm. Pos.	Work-years	Amount
to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million will be included in the FY 1989 request.			
7. Departmental printing and reproduction costs	...	...	$59
The Department is currently projecting a 5 percent increase over the 1986 printing costs of $1,180,000. An additional $59,000 will be required in 1987.			
8. GPO printing costs	...	...	48
The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing costs of $800,000. An additional $48,000 will be required in 1987.			
9. General pricing level adjustment	...	...	1,596
This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
10. Foreign allowances	...	...	4
Allowances for government employees in foreign areas are determined by the Department of State. The State Department anticipates an 11.4 percent increase in 1987. The requested increase of $4,000 provides 11.4 percent more than the $35,000 budgeted for 1986.			

	Perm. Pos.	Work-years	Amount
11. Private counsel	...	...	$10
This request provides necessary funds to cover estimated increases in 1986 fees for private attorneys retained by the Civil Division to defend government officials sued in their official capacity.			
12. Foreign counsel	...	...	21
This covers the uncontrollable costs resulting from increases in the statutory tariffs charged by foreign governments for attorneys to represent the United States in criminal and civil proceedings.			
13. Adjustment to permit staffing of additional permanent positions	4	...	...
This will adjust the relationship between authorized positions and full-time permanent workyears to an appropriate level for the Office of Solicitor General. No additional workyears or funding are requested for this adjustment.			
14. Annualization of 1986 relocation amendment	...	...	1,307
The Department requested $3,107,000 in FY 1986 for the consolidation and relocation of various offices. The Congress approved $1,800,000 of that amount. This request provides the funds necessary to complete the relocations initiated in FY 1986.			
Total uncontrollable increases	4	...	11,161
Decreases (automatic non-policy):			
1. Federal Telecommunications System (FTS)	...	...	-205
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $205,000 will be subtracted from the 1986 base of $2,137,000.			

	Perm. Pos.	Work-years	Amount
2. Relocation amendment	...	...	-$1,404
The Department received funding in a 1986 amendment for costs associated with a relocation and consolidation of downtown office space. Some of the costs will be of a one-time nature, such as renovations and moving costs, and will non-recur in 1987.			
3. Cost for equipment	...	...	-82
Included are costs for equipment purchased on a one-time basis by the Civil Division.			
Total decreases	...	...	-1,691
Total adjustments to base	5,833	5,707	$358,842

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1986 Estimate		1987 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $73,600	1		1		0	
Executive Level IV, $72,300	6		6		0	
ES-6, $72,300	2		3		1	
ES-5, $70,500	8		8		0	
ES-4, $68,700	73		76		3	
ES-3, $66,232	11		12		1	
ES-2, $63,764	16		16		0	
ES-1, $61,296	10		11		1	
GS/GM-15, $52,262 - $67,940	636		651		15	
GS/GM-14, $44,430 - $57,759	464		501		37	
GS/GM-13, $37,599 - $48,876	302		359		57	
GS-12, $31,619 - $41,105	182		247		65	
GS-11, $26,381 - $34,292	156		266		110	
GS-10, $24,011 - $31,211	13		27		14	
GS-9, $21,804 - $28,347	157		475		318	
GS-8, $19,740 - $25,662	120		316		196	
GS-7, $17,824 - $23,170	418		1,027		609	
GS-6, $16,040 - $20,855	259		1,213		954	
GS-5, $14,390 - $18,710	134		728		594	
GS-4, $12,862 - $16,723	80		352		272	
GS-3, $11,458 - $14,896	41		98		57	
GS-2, $10,501 - $13,216	8		8		0	
Ungraded	0		2,660		2,660	
Total, appropriated positions	3,097	$113,869	9,081	$327,126	5,984	$213,257
Pay above stated annual rate	0	107	0	915	0	808
Lapses	(93)	(3,328)	(431)	(8,652)	(338)	(5,324)
Net full-time permanent	3,004	110,648	8,630	319,389	5,626	208,741
Other than permanent:						
Part-time permanent	58	1,302	68	2,000	10	698
Temporary employment	63	1,695	250	10,669	187	8,974
Other part-time and intermittent employment	1	161	14	1,109	13	948
Other personnel compensation:						
Overtime	33	676	74	1,751	41	1,075
Other compensation	1	375	1	824	0	449
Admin. uncontroll. overtime	0	12	0	12	0	0
Special personal services payments	0	755	0	2,304	0	1,549
Total, workyears and personnel compensation	3,160	115,624	9,037	338,058	5,877	222,434
Average ES Salary		$67,379		$67,392		
Average GS/GM Salary		$35,666		$27,346		
Average GS/GM Grade		10.32		8.47		

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1986 Estimate Workyears	1986 Estimate Amount	1987 Request Workyears	1987 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Permanent positions	3,004	$110,648	8,630	$319,389	5,626	$208,741
11.3 Positions other than permanent	122	3,158	332	13,778	210	10,620
11.5 Other personnel compensation	34	1,063	75	2,587	41	1,524
11.8 Special personnel services payments	0	755	0	2,304	0	1,549
Total	3,160	115,624	9,037	338,058	5,877	222,434
Reimbursable and allocation workyears:						
Full-time permanent	6		6		0	
Other than permanent	87		87		0	
Other objects:						
12 Personnel benefits		12,682		37,891		25,209
13 Benefits for former personnel		45		44		(1)
21 Travel and transportation of persons		9,557		18,002		8,445
22 Transportation of things		817		2,326		1,509
23.1 GSA rent		15,679		46,381		30,702
23.2 Rental payments to others		0		198		198
23.3 Communications, util. and misc. charges		12,395		38,472		26,077
24 Printing and reproduction		3,324		6,542		3,218
25 Other services		32,336		73,398		41,062
26 Supplies and materials		3,579		6,693		3,114
31 Equipment		2,490		15,441		12,951
41 Grants, subsidies and contributions		732		653		(79)
91 Unvouchered		0		0		0
Total obligations		209,260		584,099		374,839
Unobligated balance, start-of-year		(4,326)		0		
Unobligated balance, end-of-year		0		0		
Unobligated balance lapsing		66				
Total requirements		205,000		584,099		
Relation of obligations to outlays:						
Total obligations		209,260		584,099		
Obligated balance, start-of-year		28,540		43,116		
Obligated balance transferred, net		0		50,056		
Obligated balance, end-of-year		(43,116)		(122,377)		
Outlays		194,684		554,894		

Legal Activities

Salaries and expenses, General Legal Activities

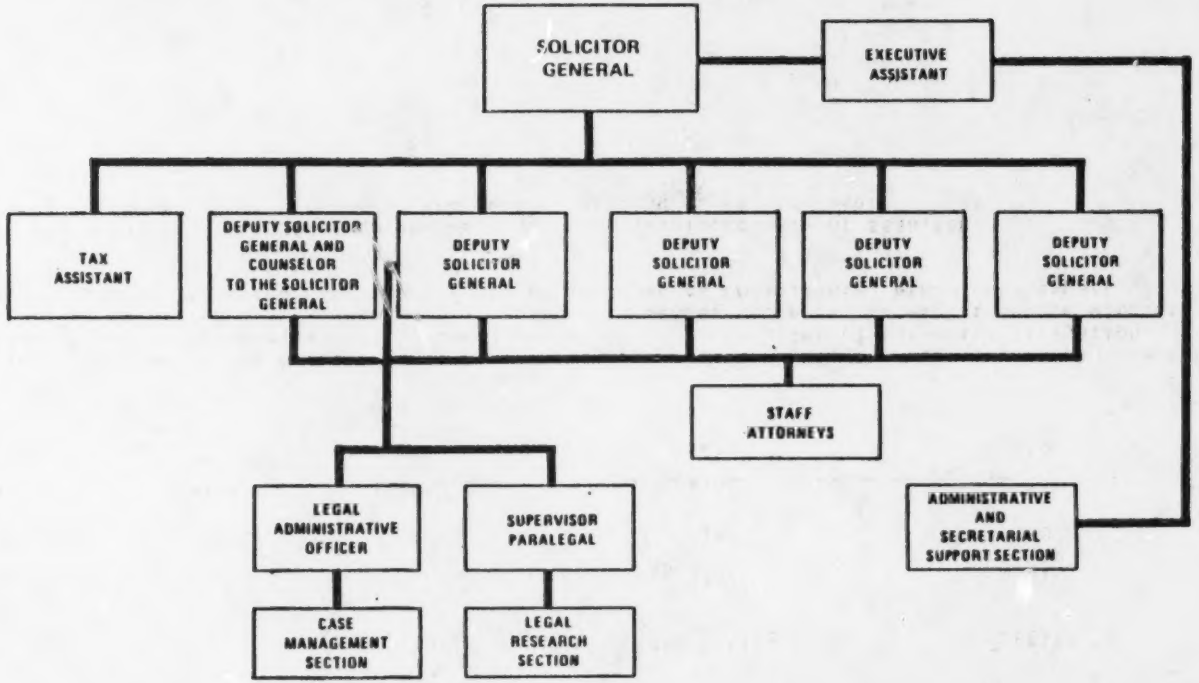
Consulting and Related Services
(Dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Consulting Services	$595	$422	$441
Management and Professional Services	405	180	188
Special Studies and Analysis	...	...	...
Total	1,000	602	629

Consulting and related services are used in the General Legal Activities appropriation only for services which cannot be performed in-house. Services are required primarily for the development and implementation of automated litigation support projects. To a lesser extent, consultants are occasionally employed to render technical or expert advice without the requirement to testify in court, and in these few cases they would be employed as consultants rather than expert witnesses.

The 1986 estimate reflects a withholding of $66,000 from the original base level estimate of $668,000. The estimate for 1987 reflects only a growth factor allowed by the general pricing level increase.

OFFICE OF THE SOLICITOR GENERAL



Approved William French Smith Date 1/23/85

William French Smith
Attorney General

689

Solicitor General

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	45	54	$3,733
Uncontrollable increases:			
Within-grade increases	...	...	17
GSA rent	...	...	121
GSA recurring reimbursable services	...	...	1
Postal service increases	...	...	1
Telephone system line charges	...	...	14
Departmental printing and reproduction costs	...	...	9
GPO printing costs	...	...	26
General pricing level adjustment	...	...	9
Adjustment to permit staffing of additional permanent positions	4	...	...
Annualization of 1986 relocation amendment	...	...	8
Total, uncontrollable increases	4	...	206
Decreases:			
Federal Telecommunications System (FTS) decrease	...	...	-2
1987 Base	49	54	3,937

	1985 as Enacted			1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters...	45	54	$3,668	45	50	$3,638	45	54	$3,733	49	54	$3,937	49	54	$3,937	...	...	...

Solicitor General

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Conduct of Supreme Court proceedings and review of appellate matters	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	45	54	$3,733	49	54	$3,937	49	54	$3,937	...	...	...

Long-Range Goal: To be as effective as possible in the conduct of all aspects of Government litigation in the appellate courts and the U.S. Supreme Court.

Major Objectives:

To adequately represent the interests of the U.S. Government in cases before the U.S. Supreme Court.

To review appellate cases to determine their suitability for appeal to the U.S. Supreme Court or to a lower Federal appellate court.

To meet all filing dates of cases before the U.S. Supreme Court.

Base Program Description: The Office of the Solicitor General is responsible for conducting and supervising all aspects of Government litigation in the Supreme Court of the United States. The Office of the Solicitor General is the Government's foremost legal office. The original Statutory Authorization Act of June 22, 1870, states: "There shall be in the Department of Justice an officer learned in the law, to assist the Attorney General in the performance of his duties to be called the Solicitor General." As stated in 28 C.F.R. 0.20, the general functions of the Office are as follows: (1) conducting, or assigning and supervising all Supreme Court cases, including appeals, petitions for and in opposition to certiorari, briefs and arguments; (2) determining whether, and to what extent, appeals will be taken by the Government to all appellate courts (including petitions for rehearing en banc and petitions to such courts for the issuance of extraordinary writs); (3) determining whether a brief amicus curiae will be filed by the Government, or whether the Government will intervene, in any appellate court; (4) assisting the Attorney General, the Deputy Attorney General, and the Associate Attorney General in the development of broad Department program policy.

690

Accomplishments and Workload: Recent accomplishments and workload of the Office of the Solicitor General are presented as follows:

	1984	1985	Estimates 1986	1987
Cases:				
Pending, beginning of term	357	370	384	398
Received	1,775	1,864	1,957	2,052
Terminated	1,762	1,850	1,943	2,038
Pending, end of term	370	384	398	412
Other Activities:				
Appellate determinations	1,372	1,440	1,512	1,512
Certiorari determinations - 1/	657	689	723	723
Miscellaneous recommendations - 2/	332	345	362	362

Explanation: The Office of the Solicitor General does not initiate any programs or have any control of the Supreme Court litigation it conducts or the number of recommendations it handles. All of the Office's work results from lawsuits initiated by one of the operating divisions of the Department or by an independent regulatory agency. All figures for Cases are based on Supreme Court terms; Other Activities figures are based on fiscal years.

1/ Includes certiorari authorizations, no certiorari decisions, direct appeal authorizations and no direct appeal decisions.

2/ Miscellaneous decisions include the following: amicus participation, mandamus, rehearing, settlement, bails, stays, etc. This figure does not include oral arguments in the Supreme Court, conferences, correspondence, etc.

Cases heard during the Supreme Court's 1985 Term in which the Solicitor General's Office has participated include those in which the Court has held that: (1) the Clean Water Act prohibits the discharge of dredged or fill materials into wetlands adjacent to covered waters (United States v. Riverside Bayview Homes); (2) the Due Process Clause is not implicated by a state official's negligent act causing unintended loss or injury to life, liberty, or property (Daniels v. Williams); (3) the Speedy Trial Clause does not apply during the period from the dismissal of an indictment until its reinstatement (United States v. Loud Hawk); (4) the Bank Holding Company Act does not authorize the Federal Reserve Board to regulate the activities of "nonbank banks" (Board of Governors of the Federal Reserve System v. Dimension Financial Corp.); (5) a trustee in bankruptcy may not abandon property in contravention of a state statute that provides for the protection of the public health or safety from hazardous wastes (Midlantic National Bank v. New Jersey Department of Environmental Protection). Other cases yet to be decided during, the

Supreme Court's 1985 Term include those in which the Solicitor General's Office has argued that: (1) Section 504 of the Rehabilitation Act of 1973 prohibits the withholding of beneficial medical treatment from an infant solely because of his handicap (Bowen v. American Hospital Association); (2) a statutory amendment that prohibits the termination of agreements under which States and their political subdivisions participate in the Social Security program did not effect a "taking" of property within the meaning of the Fifth Amendment (Bowen v. Public Agencies Opposed to Social Security Entrapment); (3) the Equal Protection Clause of the Fourteenth Amendment does not permit a public entity to grant certain employees preferential protection against layoffs solely on the basis of their race, in the absence of a finding or evidence of prior discrimination (Wygant v. Jackson Board of Education); (4) unwelcome sexual advances by a supervisor toward a subordinate female employee that create a hostile working environment violate Title VII of the Civil Rights Act of 1964 (Meritor Savings Bank, FSB v. Vinson); (5) the Establishment Clause of the First Amendment does not prohibit a school district from permitting a student religious organization to utilize school facilities in the same manner as other student organizations (Bender v. Williamsport Area School District); (6) the Fifth Amendment does not require the reversal of a conviction based on a procedural irregularity in the proceedings of a legally constituted and unbiased grand jury (United States v. Mechanik); and (7) that shippers have a cause of action under the antitrust laws to recover damages for price-fixing activities that violated a rate bureau agreement approved by the Interstate Commerce Commission (Square D Co. v. Niagara Frontier Tariff Bureau, Inc.).

692

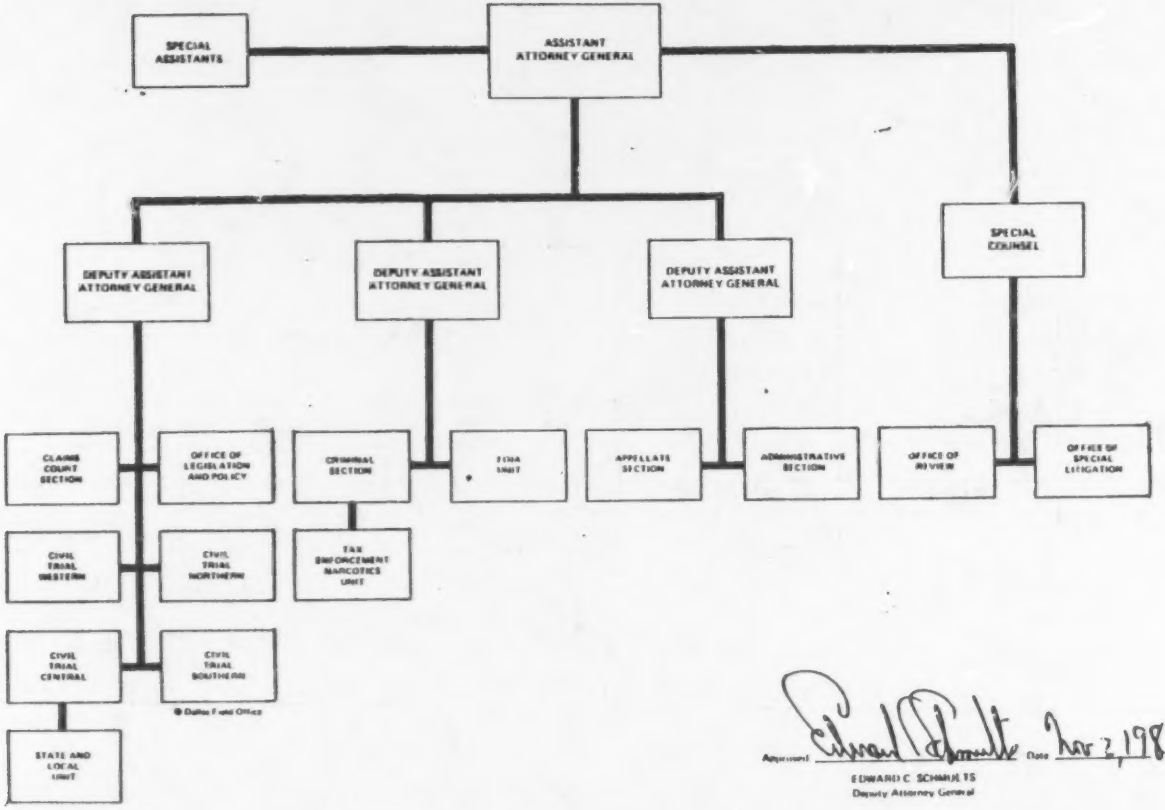
Solicitor General

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985-1987

Category	1985 Authorized	1986 Authorized	1987 Request
Attorneys (905)	20	20	20
General Admin., Clerical and office services (300-399)	15	15	17
Paralegal Specialists (950)	6	6	8
Other Legal and Kindred (900-998)	4	4	4
Total	45	45	49
Washington	45	45	49
Total	45	45	49

TAX DIVISION



Approved: Edward C. Schmults Date: Nov 2, 1983

EDWARD C. SCHMULTS
Deputy Attorney General

694

Tax Division

Salaries and expenses, General Legal Activities

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request, as Amended			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Federal appellate activity.....	90	91	$4,961	...	...	-$21	...	...	...	90	91	$4,940
Criminal tax prosecution	106	107	6,577	...	...	-25	...	...	...	106	107	6,552
Civil tax litigation activity.....	331	326	17,978	...	...	-76	...	...	...	331	326	17,902
Organized crime drug enforcement	9	9	699	...	...	-2	...	...	...	9	9	697
Management and administration.....	98	111	4,424	...	...	-45	...	...	...	98	111	4,379
Total.....	634	644	34,639	...	...	-169	...	...	...	634	644	34,470

Explanation of Analysis of Changes from 1986 Appropriation

Congressional Appropriation Actions

Congress denied 20%, ($150,000) of the pay restoration. An unspecified reduction of $19,000 was made.

Tax Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1986 as enacted	634	644	$34,470
Saving resulting from management initiatives:			
Management and productivity savings	...	...	- 69
Uncontrollable increases:			
Within-grade increases	...	...	248
Health benefits costs	...	...	23
GSA rent	...	...	276
GSA recurring reimbursable service	...	...	8
Postal service increases	...	...	10
Telephone system line charge	...	...	122
Departmental printing and reproduction costs	...	...	3
General pricing level adjustment	...	...	136
Total, uncontrollable increases	...	...	826
Decreases (automatic non-policy):			
Relocation amendment	...	...	-84
Federal Telecommunications System (FTS)	...	...	-44
Total, decreases	...	...	-128
1987 Base	634	644	35,099

Estimates by budget activity	1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. General tax matters	634	626	$32,750	634	644	$34,470	634	644	$35,099	639	643	$35,102	5	-1	$3

969

Tax Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General tax matters:																		
Federal appellate activity.....	90	91	$4,816	90	91	$5,061	90	91	$4,940	90	91	$5,045	102	99	$5,471	12	8	$426
Criminal tax prosecution.....	106	104	6,296	106	106	5,884	106	107	6,552	106	107	6,698	106	107	6,698	...	...	...
Civil tax litigation activity..	331	315	16,564	331	322	16,950	331	326	17,902	331	326	18,312	319	314	17,652	-12	-12	-660
Organized crime drug enforcement	9	7	598	9	8	520	9	9	697	9	9	735	14	12	952	5	3	237
Management and administration..	98	111	4,495	98	99	4,335	98	111	4,379	98	111	4,329	98	111	4,329	...	...	...
Total.....	634	628	32,769	634	626	32,750	634	644	34,470	634	644	35,099	639	643	35,102	5	-1	3
Other Workyears																		
Holiday.....		...			...			...			...			...			...	
Overtime.....		12			3			6			6			6			...	
Total compensable workyears.....		640			629			650			650			649			-1	

Tax Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: General tax matters	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	90	91	$4,940	90	91	$5,045	102	99	$5,471	12	8	$426
Criminal tax prosecution.....	106	107	6,552	106	107	6,698	106	107	6,698	...	...	...
Civil tax litigation activity..	331	326	17,902	331	326	18,312	319	314	17,652	-12	-12	-660
Organized crime drug enforcement	9	9	697	9	9	715	14	12	952	5	3	237
Management and administration..	98	111	4,379	98	111	4,329	98	111	4,329	...	...	...
Total.....	634	644	34,470	634	644	35,099	639	643	35,102	5	-1	3

869

The Tax Division is responsible (with the assistance of the U.S. Attorneys) for all criminal tax prosecutions and all civil tax litigation, with the exception of proceedings in the United States Tax Court. While its principal client is the Internal Revenue Service, the Division also represents a variety of Federal agencies in issues of state and local taxation. An enormous variety of questions, necessarily involved in the administration of a complex tax system, come before the Division. The judicial resolution of these problems has wide application to large numbers of taxpayers and large fiscal impact. The Tax Division therefore must provide leadership, expertise, and consistent direction in Federal tax litigation to ensure that correct, precise, and uniform interpretations of the internal revenue laws are obtained in the courts.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity....	90	91	$4,940	90	91	$5,045	102	99	$5,471	12	8	$426

Long-Range Goal: To ensure that the Government adopts and vigorously articulates correct and uniform positions on issues arising under the tax laws before the various Federal and state appellate courts, so the these laws will be fully and fairly enforced and so that tax administrators and taxpaying public can obtain authoritative judicial guidance on those issues.

Major Objectives:

To maintain the quality of the Government's written and oral advocacy in those tax cases that are appealed to the various appellate courts, despite projected increases in the number of tax cases coming before these courts.

To ensure that recommendations as to whether to appeal adverse trial court determinations or to seek Supreme Court review of adverse appellate court determinations continue fully to protect the Government's and the public's interests in the correct and uniform interpretation of the Federal tax laws.

To maintain the quality of the draft briefs, petitions, and oppositions prepared for submission to the Solicitor General prior to their filing in the Supreme Court.

To develop interpretations of complex new tax statutes that are now coming before the appellate courts (e.g., the Bankruptcy Code, the Revenue Act of 1978, the Energy Tax Act of 1978, the Economic Recovery Tax Act of 1981, and the Tax Equity, Fiscal Responsibility Act of 1982 and the Deficit Reduction Act of 1984), and to present those interpretations in such a persuasive manner as to maximize the chances that they will be adopted by the appellate courts.

To complete present program initiatives in the litigation management and word-processing areas, including expansion of the appellate workload management data base and the enhancement of appellate litigation research tools.

To complete present initiatives in the litigation management and word processing areas, including expansion of the appellate workload management data base and the enhancement of appellate litigation research tools.

Base Program Description: The appellate courts ultimately interpret the meaning and scope of the internal revenue laws. In order for judicial decisions to provide correct and uniform interpretations of the tax laws for the benefit of the public, organized, consistent, and persuasive written and oral arguments concerning complex issues must be presented in a timely manner to judges who generally are not experts in the tax law. The Government must make effective presentations if it is to ensure that uniform and logical judicial decisions are obtained throughout the Nation, and that the laws will be interpreted in a manner which ensures that Congressional intent will be carried out both as to the amount and the incidence of taxation. The centralization of these responsibilities is essential to ensuring that the Government takes consistent positions in the various courts which, by statute, share responsibility for the interpretation of the internal revenue laws at the appellate level. The effective administration of the Federal self-assessment tax system depends to a great extent upon the success of this program's efforts to ensure fair, consistent, and vigorous advocacy on behalf of the Government.

This program is responsible for presenting the Government's written and oral arguments in all civil tax cases on appeal to the United States Courts of Appeals and to the various State appellate courts. This program also is responsible for handling appeals in Freedom of Information Act and Privacy Act cases involving the Internal Revenue Service, and in civil tort suits involving officials and employees of that agency, and for handling or supervising the presentation of both written and oral arguments in all criminal tax cases on appeal to the United States Courts of Appeals. While the U.S. Attorneys continue to handle a majority of such criminal appeals under the general supervision of this program's attorneys, a significant number of these criminal tax appeals, usually involving important or precedent-setting issues, are both briefed and argued by the program's attorneys. In addition, this program is responsible for preparing the drafts of all pleadings and briefs to be filed in the Supreme Court in both civil and criminal tax cases. These filings include petitions for certiorari, responses to taxpayer petitions, briefs amicus, and briefs on the merits, all of which are handled in cooperation with the Office of the Solicitor General. Finally, this staff prepares recommendations for the Office of the Solicitor General with respect to: (1) the filing of petitions for certiorari in all tax cases lost by the Government in the courts of appeals; (2) the prosecution of appeals in all tax cases lost by the Government in the District Court, the Claims Court, and State courts; and (3) the prosecution of appeals in tax cases lost by the Government in the United States Tax Court, where such cases are referred to the Department of Justice by the Internal Revenue Service.

Accomplishments and Workload: The accomplishments of the Federal Appellate Activity program are presented in the following table:

	1984	1985	Estimates 1986	1987
1. Appellate Caseload:				
a. Pending, Start of Year	1,199	1,358	1,330	1,430
b. Received	1,096	1,050	1,200	1,400
c. Closed	937	1,017	1,100	1,425
d. Percent Government Wins	87%	89%	89%	89%
2. Work Products:				
a. Main Briefs	636	1,069	1,000	1,200
b. Reply Briefs	61	105	125	150
c. Briefs in Opposition	62	105	100	150
d. Oral Arguments	300	311	350	375
e. Memoranda	425	715	700	800
f. Dispositive Motions	115	192	200	250

During FY 1985, appellate court decisions were entered in 733 cases handled by this program. Of the decided cases, the Government prevailed, in whole or in part, in 655 suits for an overall success rate of 89 percent. Of perhaps even more significance is the program's record of success in obtaining reversals of adverse trial court rulings. Its success rate in such Government appeals is over 70 percent. This successful record in the appellate courts enhances the Government's ability to determine and collect taxes and produces a direct increase in Federal revenues in the years covered by the decisions. The impact of these decisions, moreover, extends beyond the tax years and the taxpayers actually involved in the specific litigation. Rather, the successes in the appellate courts will have a continuing impact on the Government's tax collection efforts and generate even greater revenues in future years by virtue of the tax issues resolved in favor of the Government. These victories also greatly contribute to efforts to promote a fair and equitable tax system. Some specific recent examples of this program's recent successes illustrate this point:

During the past year, the Supreme Court ruled in the Government's favor in a wide range of the cases presenting important issues in the administration of the Federal tax laws. In Boyle v. United States (1985), the Court held that the executor of an estate could not escape liability for the penalty imposed for late filing of the estate tax return merely by turning the matter over to an attorney whose negligence was largely responsible for the tardy filing. In Tiffany Fine Arts, Inc. v. United States (1985), the court ruled that an I.R.S. "dual purpose" summons issued to a tax shelter promoter whose own liability as well as that of its investors was being investigated, seeking the names of the investors, did not have to comply with the more burdensome and time-consuming "John Doe" summons procedures of Section 7609(f) of the Code. The court also held for the Government in the first gift tax case it has decided in more than 30 years, ruling in Dickman v. Commissioner (1984), that interest-free loans give rise to gift tax liability based on the time value of the money lent. Accordingly, taxpayers may no longer transfer wealth by providing interest-free loans to their family members and escape gift taxation on the transfer. (In one reported case, there were $18 million in such interest-free loans outstanding.)

In the field of corporate reorganizations, the Court sustained the Government's position in Paulsen v. Commissioner (1985), holding that the merger of a stock savings bank into a mutual savings and loan association, wherein the former stockholders in the non-mutual savings association received passbook accounts and certificates of deposit in the exchange for their shares, did not qualify as a tax-free reorganization. The former shareholders thus were held to have realized a taxable gain to the extent the passbook accounts and the CD's they received exceeded the cost of their stock in the merged savings and loan. In another case of significance from the standpoint of the I.R.S.'s tax investigation efforts, the Court ruled for the Government in United States v. Arthur Young & Co. (1984), holding that the Service could obtain, by summons, an accountant's

"tax accrual" workpapers, and rejecting the argument that these materials were immune from disclosure under a "work product" privilege. Finally, the court sustained our position in Regan v. Wright (1984), ruling that the parents of black children attending public schools in districts undergoing desegregation lacked standing to bring a suit against I.R.S. officials challenging the adequacy of the Service's standards and procedures used to deny tax-exempt status to racially discriminatory private schools. We hope to use that victory as a basis for shutting off the variety of troublesome suits brought by a wide variety of interest groups against the Commissioner seeking to influence the manner in which the Service taxes third parties.

The Government also prevailed in several significant cases at the court of appeals level. Many of these victories are in the burgeoning field of tax shelter litigation. In Odend'hal v. Commissioner (1984), the Fourth Circuit held that the taxpayers had improperly claimed nearly $5000,000 in depreciation and interest deductions stemming from their investment in a grossly overvalued real estate tax shelter. And in a decision in the case Rice's Toyota World, Inc.v. Commission (1985), the same court upheld our position that a tax shelter based upon a computer leasing scheme was a sham. In Christoffersen v. United States (1984), the Eighth Circuit agreed that the taxpayer was currently taxable on earnings generated by mutual fund shares held for his benefit by an insurance company under a "wraparound annuity" tax shelter scheme. In Mid-South Music Corp. v. Kolak (1984), the Sixth Circuit affirmed the dismissal of a tax shelter promoter's damage suit against various I.R.S. officials based on the Service's sending "pre-filing letters" to Mid-South's investors. In two separate suits against a "Big Eight" accounting firm, the Government achieved significant victories. In the first of these suits, United States v. Ernest & Whinney, the Eleventh Circuit ruled that the Commissioner could sue to enjoin the accounting firm from engaging in a practice of providing clients with investment credit "studies" that allegedly resulted in exaggerated deduction claims and a disguised audit trail. In the second, the Sixth Circuit sustained the use of an I.R.S. "John Doe" summons issued to obtain the names of subscribers to this "investment tax credit study." The Fourth Circuit also entered opinions approving the Government's efforts to curb tax shelters.

The Ninth Circuit held in our favor in an important exclusionary rule decision, Adamson v. Commissioner (1984), ruling that evidence of narcotics trafficking that had been illegally obtained by state police officers and turned over to the I.R.S. could be used in a civil tax proceeding. There were two significant decisions by the Eleventh Circuit in the area of awards of counsel fees against the Government under the Equal Access to Justice Act. In Ashburn v. United States (1984), the Court held that fees may not be awarded against the Government unless its litigation position after suit is brought (as opposed to the underlying administrative position of the I.R.S.) is not substantially justified. And in White v. United States (1984), the Court held that while the Government's litigating position there was not reasonable, and an award of counsel fees was appropriate, taxpayer was not entitled to recover fees incurred at the administrative level before suit was brought.

In Power Equipment Co. v. United States (1984), the Sixth Circuit reversed the trial court and held that taxpayer, a construction equipment dealer, could not exclude from income the interest paid by local governments that had bought such equipment on a deferred payment basis, because the purchase contracts may have been invalid under local law (e.g., because they were for amounts too large for the contracting officer to authorize, or because they committed the purchaser beyond the current fiscal year). And the Third Circuit, in a thorough and detailed opinion (Emily Kahn v. United States (1985) sustained, against a barrage of constitutional and statutory challenges the imposition of the "frivolous return" penalty against a taxpayer who claimed a "war tax refusal" credit on her return. Its opinion will, we hope, go far to stem the tide of suits challenging the imposition of this penalty against taxpayers who file protest returns.

Program Changes: This program urgently requires the increased funding requested (10 additional lawyers, and two additional support personnel, for a total of 12 additional positions) in order to absorb the predictable increases in workload anticipated in FY 1987. The Tax Court at the present time has over 73,000 docketed cases pending and, within the last month has installed two additional judges. These additional judges bring the court up to its full complement of 19 active judges. Additionally, during this last year, the Tax Court has increased the number of special Trial Judges on its staff by over thirty percent. Since, under the Tax Court's established practice, Special Trial Judges as well as regular Tax Court

Judges may enter decisions in regular tax cases, this increase in the total judicial resources available to the Tax Court will have a marked impact upon the number of Tax Court decisions that will be entered in FY 1986. In turn, this increased volume of dispositions--the Court projects that it will dispose of over 600,000 cases during 1986, an increase of over 40 percent from the 1984 level--will inevitable generate a substantial increase in the appeals that the appellate unit must handle.

By the same token, a shift in the Internal Revenue Service's audit emphasis has triggered a shift in the composition of the cases pending before the Tax Court. Thus, pursuant to the Service's emphasis of curbing the abuses that have arisen in the tax shelter area, the number of tax shelter cases pending before the Tax Court has risen dramatically--the Chief Counsel estimates that approximately 31,000 of the 73,000 pending Tax Court cases involve tax shelter issues. These tax shelter cases typically involve larger dollar amounts than the average deficiency action--the pending shelter cases directly involve over $1.5 billion in taxes and interest and will have an even broader revenue impact. Indeed, one pending case involves an issue that the Internal Revenue Service estimates implicates over $8 billion in pending claims for interest and taxes. Moreover, these cases generally present issues that are of ongoing importance not only to the individual taxpayers involved, but to the tax shelter promoters who often mastermind the handling of these Tax Court cases. Accordingly, any decision entered by the Tax Court is much more likely to be appealed that the typical decision involving only individual taxpayers.

The Chief Counsel, Internal Revenue Service, in cooperation with the Tax Court, is making a concerted effort to move the 30,000 case backlog of shelter cases to decision this fiscal year. Thus, this program inevitably faces not only a numerically larger caseload in FY 1987, but a substantively more-challenging and fiscally more-important caseload than in the past. In order to handle this burgeoning caseload in a professional manner and adequately to protect the substantial revenues that will hinge upon the outcome of these appeals, the program must have augmented resources.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal tax prosecution	106	107	$6,552	106	107	$6,698	106	107	$6,698	...	...	...

Long-Range Goal: To promote the integrity of the voluntary, self-assessment tax system in the United States by the application of standards of prosecution on a national basis and by the timely, consistent, and successful prosecution of those taxpayers who fraudulently attempt to evade their Federal tax responsibilities.

Major Objectives:

To determine if prosecution is warranted in cases received from the Internal Revenue Service.

To evaluate and monitor the initiation and progress of grand jury investigations being conducted by the U.S. Attorneys' offices and to review grand jury findings in order to determine whether prosecution is warranted.

To guarantee expert handling of grand jury investigations and trial proceedings of all appropriate requests from the U.S. Attorneys' offices.

To prosecute and/or supervise the prosecution of cases involving tax shelter plans, tax protesters and the "church" issue.

To continue the program's coordination with the appropriate divisions and sections of the Internal Revenue Service in long and short range planning and program development of criminal tax investigations.

To continue this program's Tax Protester Enforcement Unit, which addresses the growing threat to the Federal tax system presented by illegal tax protest groups and to provide active liaison with the major tax units which have been established in several U.S. Attorneys Offices.

Base Program Description. Under the voluntary, self-assessment system of Federal taxation, the full and complete disclosure of income by individuals, corporations, and other taxable entities is relied upon in the first instance. However, a study by the Internal Revenue Service estimated that the "tax gap," that is, the amount of taxes not paid as a result of unreported, or under reporting of income, currently is approximately $100 billion (having risen from $29 billion a decade ago) and is expected to exceed $120 billion in 1986. In addition, the I.R.S. conservatively estimates that at least $13 billion in taxes is lost because of unreported income from illegal sources, including drugs, prostitution, and gambling. Such noncompliance is a matter of great importance, not only with respect to the tax revenues lost, but also with respect to the basic question of fairness to taxpayers who voluntarily obey the internal revenue laws. Taxpayer compliance will be improved significantly if criminal investigations and prosecutions are initiated with adequate frequency and appropriate geographical coverages, and, when undertaken, are consistently successful.

This program's primary responsibility is the review and case supervision of all criminal tax prosecutions in the United States, in order to ensure a consistent and uniform national prosecution policy in Federal criminal tax matters. Under a streamlined case review procedure, all criminal tax cases received from the Internal Revenue Service are screened by unit attorneys to determine which can be categorized as non complex cases. After limited legal and factual review by senior attorneys, the referrals for prosecution are generally forwarded to a U.S. Attorneys' office within ten days after receipt. This procedure maximizes the Government's successful prosecution of the non-complex and the complex cases by expeditiously bringing the former to trial and enabling the Division to augment its resources for a full review of the latter. The full review for prosecutive merit consists of a complete, objective examination of all reports, exhibits, and evidentiary materials furnished by the I.R.S. Unit attorneys prepare prosecution memoranda detailing the evidence available in the case and make recommendations as to whether the I.R.S.'s theory should be accepted, rejected, or modified. If a case is approved for prosecution, it is transmitted to the appropriate U.S. Attorneys' office. Program attorneys provide a wide variety of important litigative support activities for the cases prosecuted in the field including: (1) serving as a readily accessible information source to U.S. Attorneys by providing telephone assistance regarding evidentiary problems, trial tactics, plea bargaining, and general trial matters; (2) preparing indictments and other pleadings; (3) providing memoranda of law, trial briefs, jury instructions, and other materials; and (4) monitoring every 90 days, the status of cases pending in the U.S. Attorneys' offices. Finally, U.S. Attorneys often request the assistance of this unit in grand jury investigations, trial preparation, and in the actual conduct of criminal trials when the case involves novel or complex issues of law or fact which require specific criminal tax expertise; when the tax caseload levels in specific U.S. Attorneys' offices require additional resources; when the case involves a sensitive local issue or individual; or when prosecution is declined in a case by a U.S. Attorney, but the Division considers the case to be meritorious. Grand jury and trial assignments are undertaken by the staff of this program unit without prior transmittal to the U.S. Attorneys' offices only in cases dealing with the "church" issue, the tax protester movement, and tax shelters, which generally are of great complexity and have ramifications beyond the borders of a Federal district or state.

Accomplishments and Workload: The accomplishments of the Criminal Tax Prosecution program are presented in the following table:

	1984	1985	Estimates 1986	1987
1. Number of Defendants in Cases Reviewed				
a. Pending for Review	679	697	664	664
b. Received for Review	2,169	2,271	2,400	2,500
c. Transmitted to U.S. Attorneys or Declined	2,151	2,304	2,400	2,500

	1984	1985	Estimate 1986	1987
2. Trials Assigned to Unit Attorneys				
a. Total Trial Assignments Pending	57	52	60	60
b. Total Trials Assigned	54	70	85	120
c. Trial Assignments Completed	59	62	85	120
3. Grand Jury Activities by Unit Attorneys				
a. Authorizations Approved and Forwarded to U.S. Attorneys	408	492	500	500
b. Investigations Initiated	10	12	15	15
c. Presentations for Indictment	44	53	80	80
4. Memoranda Completed	1,934	2,634	2,750	3,000

The performance criteria associated with this program can be divided into two distinct areas: (1) the success of this Program's output, that is, the number of convictions, fines, and jail sentences; and (2) the deterrent effect of this unit's efforts on potential criminal conduct by other taxpayers.

The review and supervision of criminal tax cases by program attorneys is a major factor in the successful conclusion of these cases. It is important to note that before a case is referred to a U.S. Attorney for prosecution, this program has intensively reviewed each matter (with the exception of non-complex cases), considered and corrected deficiencies, requested additional information when required, and has organized the materials so that they can be understood by attorneys who are not criminal tax specialists. The current success rate of the case terminations in this area is clear evidence of the quality of the initial analysis, review, and litigation support provided by Division attorneys. The Government has moved the rate of success in cases prosecuted from 93 percent to 97 percent in the last ten years. The percentage of jail sentences to total sentences has increased from 40 to 62 over the same time period.

Fear of criminal prosecution and significant penalties for conviction are vital adjuncts to the effectiveness of the voluntary, self-assessment system of taxation. The successful deterrence of violations of the criminal provisions of the tax laws depends upon aggressive initiatives by enforcement agencies and the implementation of a balanced program of enforcement. Expanded administrative initiatives allowed by established tax acts and more current legislation have aided the Tax Division in supporting the I.R.S.'s aggressive enforcement against tax crime. The Deficit Reduction Act of 1984 clarified the false W-4 misdemeanor sanction to allow felony prosecution for fraudulent withholding. The Tax Division subsequently changed its policy and began regarding the filing of false W-4's as affirmative acts of evasion. In the first case authorized pursuant to the change in policy, United States v. Dean P. Koski (N.D. N.Y.) a jury, after less than one hour of deliberation, convicted tax protester Dean Koski of willfully attempting to evade his 1978 through 1982 individual income taxes for filing a false W-4. The Koski case should serve as a deterrent to this form of tax protest because it is the first known Spies evasion jury conviction which was predicated upon this policy initiative. Agressive enforcement against fraudulent tax shelters has also been facilitated by the Deficit Reduction Act limiting the situations in which a defendent can avail himself of the home venue transfer provisions of the tax code. In conjunction with increased legislative action, the Tax Division's Criminal Section has been successful in convincing the courts that violations of the criminal provisions of the tax laws pose a serious threat to our tax system. The courts have recently been imposing substantially more severe sentences and fines for convictions arising out of criminal tax violations. For example, the last available report indicates that convicted tax protesters went to jail 80 percent of the time, for an average term of 18 months (up from 12 months, five years hence) with an average collection, including tax and penalties, of more than $7,000.

A balanced program of enforcement based on the geographical and occupational coverage of the population and involving various types of alleged violations in all income brackets compliments these initiatives to help deter criminal tax law violations. Such broad enforcement is enhanced and reinforced by the prosecution of: (1) individuals who derive substantial income from certain illegal activities and violate the tax laws; (2) specifically designated areas of non-compliance; and (3) special "high-impact" cases involving major issues, personalities, or significant dollar amounts. This unit has been successful in all of the aforementioned areas. During the past year, criminal tax convictions have taken place in every state and across the full-range of legitimate (and illegitimate) occupational groupings. For example, the diversity of the geographical and occupational composition of this unit's cases is evidenced by the following sampling of convicted defendants: a labor relations specialist from Alaska; a boxing promoter from New York; a bricklayer and nightclub owner in North Carolina; a media advertising magnate in Tennessee; an airline pilot from Arizona; automobile workers in Michigan; a Rhode Island coin dealer; fishermen from Oregon and Alaska; an attorney from Washington, D.C.; and a wholesale food dealer from Las Vegas. Such geographical and occupational diversity in prosecutions inevitably has a significant influence on nationwide tax compliance.

Tax protesters continue to be one of the high priority areas of noncompliance for Tax Division. A "Tax Protest Library" to serve as a clearinghouse and repository for tax protest materials was established along with a tax protest file for the efficient dissemination of such materials to U.S. Attorneys offices. The Criminal Section of Tax Division and the I.R.S. are concentrating their investigations on the leaders and promoters of major protest groups and schemes with significant numbers of participants. This tactic has proved successful in a number of cases such as: United States v. Charles D. Ray, Sharon B. Ray and Chris Parker (S.D. Ga.). On November 26, 1984, five principals in the Central Savannah River Patriots tax protest group were sentenced for their convictions on Klein conspiracy to impede the I.R.S. and participation in the filing of false income tax returns. Charles D. Ray and John K. Fariss, Jr., were sentenced to serve seven years in prison and fined $10,000 for their offenses. Ray and Fariss also were placed on probation for five years. Chris D. Parker was sentenced to four years in prison and fined $5,000. Sharon Ray Woods received a five-year prison sentence, all but six months of which were suspended. She was fined $5,000 and also received five years probation. Mark Bazemore, who pled guilty and testified for the Government received a six years sentence which was suspended. Bazemore was also fined $7,500 and placed on probation for five years. One of the objects of the Klein conspiracy involved the protests groups harassment of I.R.S. agents. Evidence with respect to such harassment facilitated the conviction and led the Judge to deny bail calling the defendants "threats to the community". Since the principals' conviction, over 100 members of this tax protest syndicate have presented themselves to the I.R.S. to have their individual tax situations resolved. The Government is reaping the benefits of this standing commitment against tax protesters, as the I.R.S. examination inventory decreased from 36,712 in 1983 to 28,324 in 1984. Part of the decline is attributed to the successful efforts to prosecute the leaders of tax protesters groups but the other reason given for the decline is those who once challenged the laws by openly protesting paying taxes may be switching to protesting by using questionable tax shelters.

The program's prosecutions involve a variety of fraudulent tax schemes. They present complex and technical tax issues including tax shelters, church exemptions, Subpart F income, corporate diversions, short sales, and inventories. The investigative effort against fraudulent tax shelters is concentrated on nationwide promoters but the ramifications on the degree of voluntary tax compliance make these "high impact" cases. Significant cases included United States v. Stephen A. Mandarano, et al. (D. N.J.) where five individuals involved in the operation and promotion of a fraudulent art lithographic plate tax shelter scheme pled guilty to conspiracy to defraud the Internal Revenue Service (Klein conspiracy), and aiding the filing of false individual income tax returns. Stephen A. Mandarano, Sr. was the creator and principal promoter of the scam which generated over $20,000,000 in fictitious deductions. Others involved included a tax attorney who provided a secret letter and oral assurances to investors regarding the nonrecourse nature of an ostensibly recourse note; two certified public accountants who were involved in the preparation of false investor income tax returns and a shelter salesman. In United States v. Mallas and Jones, the promoters of a fraudulent coal tax shelter were convicted on conspiracy and substantive income tax counts. The judge sentenced each defendant to serve 12 years in prison, and imposed fines of $75,000 and $45,000, respectively. Similarly, in United States v. Senft, et al., a government securities tax shelter fraud scheme involving $130,000,000 in fraudulent deductions, the initiator of the scheme received a 15-year prison sentence and a fine of $80,000.

The I.R.S. is also aggressively using injunctions to combat abusive tax shelters on the "front end". Under the Tax Equity and Fiscal Responsibility Act of 1982, the Government was authorized to initiate injunctive actions against the organizers and salesman of abusive and illegal tax shelters. A subsequent violation of the injunction may result in criminal contempt proceedings like in United States v. Frank E. Forrester (D. Minn.). A jury found the defendant guilty of violating the injunctions issued in United States v. Landsberger, 534 F. Supp. 142 (D. Minn. 1981). The permanent injunction issued in that case involved a fraudulent "double trust" tax shelter scheme in which some 100 taxpayers had participated. Although not a party to the injunction proceeding, Forrester, the original promoter of the scheme was charged with contempt as a person in active concert with Landsberger. The judge sentenced Frank E. Forrester to serve two years in prison.

In addition to tax shelters, the Tax Division has had success in other "high impact" cases, which because of their media attention, improve voluntary compliance. United States v. Franklin G. Perry (D. Nevada) was a tax/financial crime case with one of the most substantial sentences ever imposed. The judge sentenced convicted Ponzi scheme operator, Franklin G. Perry to serve 25 years in prison, which defrauded 500 investors. A jury convicted Perry on two counts of income tax evasion, and one count of obstruction of an IRS investigation by bribing a witness. (S.D. N.Y.). Marc Rich and Co. A.G., a Swiss trading firm pled guilty to 38 counts of making false statements to the I.R.S.. Clarendon, Ltd. also pled guilty to tax evasion. The company secreted $100,000,000 in income of Clarendon, Ltd. from the I.R.S. through a secret invoice system. Under the terms of the plea agreement, the companies paid the United States a total of $150 million and waived any claims for refunds of over $21 million in contempt fines. The two companies were also fined $780,000 for their offenses. penalties. Drug traffickers and underworld criminals are also a major priority of this unit. In United States v. Robert Twist Sr. (S.D. Fla.) narcotics trafficker Robert Twist, Sr. pled guilty to filing a false income tax return for 1979. Twist failed to report $2,800,000 received from drug trafficking during 1979 on his individual income tax return for that year. Judge Edward B. Davis sentenced Twist to serve a three-year prison term for his tax offense, such sentence to run concurrently with the 15-year sentence imposed during December, 1984, for Twist's convictions on substantive narcotics and narcotics conspiracy offenses. In United States v. Aniello Dellacroce an indictment against Aniello Dellacroce, the alleged "underboss" of the Gambino crime family, was unsealed in Manhattan. The indictment charges Dellacroce with both evading his income taxes for 1980 and filing a false income tax return for that year.

	1986 Appropriation Enacted			1987 Base			1987 Esimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil tax litigation activity	331	326	$17,902	331	326	$18,312	319	314	$17,652	-12	-12	-$660

Long-Range Goal: To ensure the proper and uniform interpretation of the internal revenue laws, the maximization of Federal tax revenues, and the fair and efficient resolution of disputed tax matters through litigation to defend against taxpayers' claims, to recover outstanding tax liabilities, and to enforce Federal Civil tax programs.

Major Objectives:

To defend effectively the amounts at issue in refund suits, so as to protect both the short-term and long-term tax revenue flow to the United States Treasury.

To defend successfully all injunction, declaratory relief, suppression, mandamus, and jeopardy assessment suits so as to uphold the legality of the Government actions involved and defend vigorously all tort actions so as to discourage "nuisance" suits and to prevent the harassment of Internal Revenue Service personnel.

To litigate swiftly and effectively all disputes emanating from bankruptcy proceedings, by providing legal support to court judgments, establishing Government priority in relation to other creditors, and collecting all non-dischargeable debts.

To maximize the collection of unpaid taxes through the successful litigation in all judicial proceedings for the recovery of unpaid tax liabilities and through the vigorous collection of all tax judgments.

To resolve equitably all legal conflicts which arise between a taxpayer's right to information concerning the policies and practices which the I.R.S. follows in enforcing the tax laws and the ability of the Service to conduct tax investigations effectively, the limitations on Governmental disclosure of tax return information, and the third-party confidentiality requirements imposed by the Freedom of Information Act and the Privacy Act.

To enforce vigorously all administrative summonses issued by the I.R.S., so that on-going tax investigations will not be impeded.

To develop a uniform and consistent national policy regarding the complex issues presented in cases involving Federal immunity from state and local taxation and in cases under Code Section 7428, which governs the qualification for tax exempt status.

To handle effectively the new Division responsibilities resulting from the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

Base Program Description: The Civil Tax Litigation Activity Program is responsible for ensuring the proper and uniform interpretation of the internal revenue laws, the maximization of Federal tax revenues, and the fair and equitable resolution of disputed tax matters through litigation to defend against taxpayers' claims, to recover outstanding tax liabilities, and to enforce Federal civil tax programs.

Because the Federal tax system, in the first instance, relies solely upon the taxpayer's self-assessment of his or her tax obligations, frequent controversies arise in which an I.R.S. audit reveals a tax liability different from that previously determined by the taxpayer. A taxpayer facing an asserted additional income, estate, or gift tax liability has the option of either withholding payment and challenging the liability in the Tax Court or paying the amount in dispute and, after exhausting his or her administrative remedies, filing a suit for refund of the amount at issue in a United States District Court or the Claims Court. Similarly, a taxpayer who, independently of a tax audit, believes he or she has overpaid a tax obligation may, after a period for administrative review, file a suit for refund in a United States District Court or the Claims Court. The trial of all refund suits brought against the United States in the Courts is the responsibility of the defense of monetary claims program of this decision unit, while only the conduct of cases in the United States Tax Court remains the responsibility of attorneys in the Office of the Chief Counsel of the Internal Revenue Service. In addition, this program also defends the Government's interest in a wide variety of other taxpayer-initiated claims, including suits against the United States or I.R.S. employees for torts allegedly committed in connection with the collection of taxes.

When the efforts of the I.R.S. to effect prompt collection of unpaid taxes through administrative action have failed, this decision unit's recovery of money program is called upon to commence or participate in judicial proceedings to enforce collection of the unpaid taxes. When confronted with purely factual disputes in recovery litigation, this unit encourages fair, equitable, and reasonable compromises based solely on the relative merits of each particular case. In those instances where the litigation involves the interpretation of specific tax laws, however, the objective is to obtain judicial decisions which will provide reasonable guidelines for carrying out uniform tax collection activities on a nationwide basis. While a primary workload component of this program is bankruptcy litigation, this unit's

attorneys also litigate to obtain tax recoveries in situations in which a taxpayer has sought to avoid, defeat, or ignore payment of tax liabilities or in which a taxpayer's creditors have sequestered his/her assets or have subjected the taxpayer to competing claims. In addition, this program also has oversight responsibility for approximately 11,000 actions brought each year against the United States pursuant to certain provisions of 28 U.S.C., Section 2410.

With respect to litigation to enforce Federal civil tax programs, this program handles a variety of cases integral to I.R.S. tax audit and investigation policies and programs, freedom of information and privacy suits, summons enforcement, declaratory judgment actions dealing with qualification of an organization claiming tax-exempt status, and state and local tax immunity suits. The efforts of each of these programs are essential to the efficient and effective functioning of the Federal tax system. Any reduction or delay in these activities will result in significant and immediate tax revenue losses, and could create even more serious long-range revenue problems if public confidence in the uniform application and enforcement of the tax laws declines and non-compliance with the tax laws increases.

Finally, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) has resulted in a significant increase in this unit's workload, not only with respect to the unit's traditional workload, but also with respect to a wide variety of new litigation responsibilities. Since the enactment of TEFRA in September 1982, the primary focus of the Internal Revenue Service has been the provisions related to abusive tax shelters. The strategy in Federal tax administration employed by TEFRA is based on: (1) permitting the Federal Government to attack abusive tax shelters directly at their source by use of injunctive relief and penalties against the promoters of the tax shelters (26 U.S.C. Sections 7408 and 6700), and (2) permitting the imposition of substantial penalties on investors who invest in abusive tax shelters (26 U.S.C. Section 6661). Under the injunction provision, the I.R.S. may now request the Department of Justice to institute proceedings directly against tax shelter promoters in much the same manner that the Securities and Exchange Commission acts to halt violations of the securities laws. The related penalty statute permits the I.R.S. to assess substantial monetary penalties against abusive tax shelter promoters who may elect to contest the penalty assessment in Federal district court. These new TEFRA provisions allocate primary responsibility for abusive tax shelter enforcement to the Tax Division, since the injunction and penalty litigation under TEFRA are handled by the Division in the Federal district courts. Litigation of the abusive tax shelter injunction and penalty statute is more resource intensive than many other types of cases handled by the Tax Division since in both the injunction and the penalty litigation the Government bears the burden of proof. Thus a TEFRA injunction or penalty suit generally requires more investigation and trial preparation by Division attorneys, similar to that of a criminal trial. Secondly, in the case of the injunction statute, because the purpose of the statute is to obtain an injunction to stop a tax shelter promoter before investors buy in and the harm is done, an injunction action has to be developed on an expedited/high priority basis.

Accomplishments and Workload: The accomplishments of the Civil Tax Litigation Activity program are presented in the following table:

	1984	1985	Estimate 1986	Estimate 1987
1. Defense of Monetary Claims				
a. Tax Refund Cases				
Pending	2,720	3,035	2,909	2,709
Received	1,285	1,133	1,200	1,200
Closed	952	1,259	1,400	1,400
b. Other Defense				
Pending	1,276	1,527	1,131	1,131
Received	1,312	1,096	1,200	1,200
Closed	1,061	1,492	1,200	1,200

	1984	1985	Estimate 1986	1987
2. Recovery of Money				
a. Bankruptcy Cases				
Pending	3,529	3,566	3,432	3,432
Received	3,634	4,496	4,400	4,600
Closed	3,597	4,630	4,400	4,600
b. Other Recovery				
Pending	1,577	1,844	1,732	1,732
Received	933	1,029	1,200	1,400
Closed	626	1,141	,200	1,400
c. Section 2410 Lien	11,396	12,493	12,000	12,000
3. Federal Civil Programs				
a. FOIA/PA				
Pending	83	206	130	80
Received	157	268	250	300
Closed	34	344	200	250
b. Summons Enforcement				
Pending	2,827	1,251	995	995
Received	3,054	2,988	2,000	1,500
Closed	4,630	3,244	2,000	1,500
c. Other Enforcement				
Pending	220	206	189	139
Received	337	179	150	100
Closed	351	162	200	100
4. TEFRA - Related Cases				
Pending	586	1,092	1,402	1,102
Received	1,240	1,202	1,500	1,600
Closed	734	892	1,200	1,600

Litigation in Defense of Monetary Claims - This program currently is handling approximately 3,000 refund cases involving more than $1.57 billion at issue. This unit is also handling 1,500 non-refund cases. Neither the magnitude nor the impact of this program's litigative efforts, however, can be understood fully by examining only the dollar amounts directly at issue in these cases. In the refund area, for example, court decisions which may appear to involve only minor dollar amounts often constitute precedents for a large number of similar cases pending either in the courts or administratively before the I.R.S. and, consequently, affect the future tax planning and reporting of a significant portion of the general public. In the non-refund area, an injunctive action or a tort suit against the United States and/or its agents and employees often can significantly impact on a major I.R.S. or Justice Department tax law enforcement program and effective defense is essential to preserve the integrity of that aspect of the program being challenged. As an illustration, several major cases are discussed below:

In Leroy and Nola Dickson v. United States (E.D. N.C.), the Court interpreted Section 74(b) of the Code in favor of the United States by ruling that an award given to taxpayer by his employer was not excludable from his gross income because the award was given to "compensate

for some recent benefit to the employer," and was, therefore, properly includable in taxpayer's gross income. The taxpayer had invented and developed the holographic scanner more commonly known as the supermarket check-out line scanner and because of his distinguished works in that regard IBM had given him an "outstanding innovation award." The taxpayer attempted to rely upon the case of Jones v. Commissioner (9th Cir. 1984), in which NASA had given Mr. Jones an award for work which he had done for that agency over his 34 years of employment, particularly for work which he had done in the early 1970's on the wing design of aircraft. In Jones, the court found that the award was excludable because it was not compensation for some recent benefit to the employer and it otherwide qualified under the other tests to Section 74. Here, however, the Court correctly found that the award in question was given for a particular and recent achievement which recently benefited the employer. This case should be helpful to the Government in distinguishing the Jones case and should discourage taxpayers who receive the typical achievement award from attempting to argue that it is not compensation. In Exxon v. United States (Cl. Ct.), Judge Kozinski issued a written opinion which, consistent with his decision from the bench on July 27, 1984, held that a claimed $27 million bad debt deduction was not allowable because of the likelihood of the creditor collecting on a fraudulent conveyance claim. The creditor was one of Exxon's domestic subsidiaries, the debtor was an Exxon foreign subsidiary and the conveyance giving rise to the creditor's potential claim was the foreign subsidiary's distribution of all its non-Cuban assets to its parent, Exxon, the day before the Castro government's takeover of all the subsidiary's remaining assets, which were located in Cuba. In Martin Marietta Corp., et al. v. United States (Cl. Ct.), the judge issued an opinion holding that the plaintiffs were not entitled to make a downward revision in their estimated stone reserves, for cost depletion purposes, because the notice which they receive during the year in issue that a portion of their mining property might be condemned by the State sometime in the future was insufficient to make the loss of the mineral assets fixed and certain in that year. The decision, filed two years after the filing of the last brief, disposes of the final issue in this case, and supplements that of February 28, 1985, in which the Court decided, almost entirely in the Government's favor, a multi-faceted percentage depletion issue relating to the manufacture and mining of magnesium hydroxide.

Litigation for the Recovery of Money - The program is currently handling over 5,000 cases for the recovery of money. This unit also had supervisory responsibility over 11,000 Section 2410 lien actions (an increase of eight percent over the previous year). The following case examples provide insights into the nature and complexity of suits for which this unit is responsible.

In Blue Coal Corporation, Bankrupt (U.S. Bankruptcy Court, M.D. Pa.), the Trustee in this Chapter VII (Liquidation) proceeding petitioned to pay certain expenses of administration, including post-petition income taxes in the amount of $1.3 million. A creditor objected, claiming the tax debt was too high because the disallowance by the I.R.S of certain interest deductions claimed by the taxpayer was improper. The disputed items were claimed deductions for accrued interest on a mortgage obligation; the I.R.S disallowed the deductions because the "all events" test had not been met (i.e., since the claimed mortgage indebtedness had been challenged in a fraudulent conveyance action, all events necessary to fix the fact and amount of the claimed liability had not ocurred at the time the interest deductions were claimed). The creditor maintained that the underlying mortage indebtedness was valid, thus giving rise to valid interest deductions, even though the mortgage lien itself had been set aside as to creditors in related litigation as a fraudulent conveyance. The Bankruptcy Court ruled for the Trustee and the Government on summary judgment, determining that the test was not whether the claimed underlying indebtedness was determined to be valid but, rather, only whether there was a genuine dispute as to its validity, and holding that the deductions were properly disallowed on the "all events" rationale. Franklin Press, Inc. v. Internal Revenue Service (S.D. Fla.), was an adversary proceeding involved an attempt by a corporate debtor in Chapter 11 to enjoin the Internal Revenue Service from collecting one-hundred percent penalty taxes, assessed pursuant to 28 U.S.C. 6672, from a corporate officer. The debtor/plaintiff maintained that such collection activities would prevent the debtor/plaintiff from proposing or confirming a plan of reorganization. The United States filed a Motion to Dismiss on the grounds of lack of standing by the corporate debtor/plaintiff to bring this action, sovereign immunity, the Anti-Injunction Act, 26 U.S.C. Section 7421(a), and for failure to state a claim upon which relief can be granted. The Bankruptcy Court dismissed the debtor/plaintiff's action relying on the provisions of the Anti-Injunction Act. The Court considered contrary decisions made by other courts on this issue, and concluded that there was "no" irreconcilable conflict between the anti-injunction statute and the legislative pattern of the present (Bankruptcy) Code.In I.R.S. V. Trustee, Sapphire Steamship Lines, Inc. (S.D. NY.), the District Court reversed a bankruptcy court and held a non-operating trustee of a bankrupt corporation liable for the payment of estimated corporate income

taxes pursuant to 26 U.S.C., Section 6154 and penalties for failure to pay estimate income tax pursuant to 26 U.S.C., Section 6555. The trustee argued that it was not obligated to comply with Section 6154 and Section 6155 since the language in those sections merely referred to corporations and not specifically to trustees of non-operating bankrupt corporations. In rejecting this argument, the District Court ruled that Section 6154 and Section 6155 should be read in conjunction with Section 6102(B)(3), which specifically includes trustees of bankrupt corporations among those responsible for filing returns of income. The requirement in Chapter 61 Section 6012(B)(3), that a trustee of a corporation in bankruptcy file a return of income as other corporations do, therefore eliminates the necessity that Chapter 62 Section 6154 specifically include trustees of bankrupt corporations.

This program has been extremely successful using jeopardy and termination assessments in the past year. For example, in Armando Gonzalez v. United States (S..D. Fla.), a Section 7429 action involved a termination assessment made against the taxpayer in the amount of $886,841.40. The termination assessment resulted from the seizure of $1,784,740 from the taxpayer's residence. The seizure was made pursuant to a search warrant obtained based upon information supplied to the police by a confidential informant, indicating that approximately five kilograms of cocaine had been observed in the residence. A search of the residence revealed no narcotics or narcotics paraphernalia; however, a United States Customs dog "alerted" to the presence of narcotics on the money. Subsequently, the State of Florida brough an action against the taxpayer seeking to forfeit the currency to the State. The Court upheld the making of the termination assessment in this case, and found the amount assessed to be reasonable. The case is significant for two other reasons, first, the Court held that the "alert" by the Custom dog on the currency, and the heresay testimony by police officers were sufficient to make a finding that the assessment was reasonable, and second, that although the currency was in custodia legis, and subject to forfeiture to the state, the Court still found a jeopardy situation to exist over the plaintiff's objections. In Iovana Farms, Inc. v. United States (N.D. Ga.), the District Court entered an order in favor of the Government finding that the jeopardy assessment made by the Service in the approximate amount of $8 million was reasonable and appropriate under Section 7429 of the Code. The Court found that the following factors were persuasive: plaintiff was attempting to liquidate its entire herd; Virgil Lovell (sole stockholder) was indicted for attempted bribery of an I.R.S official; documents were backdated; an investor lawsuit has been filed; Virgil Lovell operated an abusive tax shelter; plaintiff, the corporation, paid defense fees for its sole stockholder, Virgil Lovell; corporate funds were being transferred to Virgil's father's corporation; and that plaintiff misled the revenue officer as to the ownership of its cattle. Pursuant to the jeopardy assessment, the Service seized $330,000 which it applied against the $8 million assessment. And in First City National Bank of El Paso v. United States (W.D. Texas), the judge ruled in favor of the Government and upheld a termination assessment against Mardo Queo Alfaro, a resident of Guadalajara, Mexico, in the approximate amount of $28,000,000 based on a projection of income from the sale of illegal drugs. In this regard, the sum of $4,000,000 in cash had been seized from Alfaro's motel room in Anaheim, California, in June, 1984. The Court first overruled our motion to dismiss the review action for lack of venue, however, finding that venue was proper because the proceeding was brought in conjunction with an interpleader action commenced by the First City Bank of El Paso who had been served with a notice of levy and had interpled $6.5 million. The termination assessment was based on an estimate of $10,000,000 per month profit from drug dealing up until the time of seizure of the cash in California. Alfaro and a number of Mexican nationals testified that the money seized in California belonged to four wealthy investors from Mexico. Prior to June, 1984, Alfaro had deposited millions of dollars in El Paso and Laredo, Texas, banks using the names of nominees. The interpleader action in El Paso, and another action brought by a bank in Federal court in Laredo, are still pending. Judge Hudspeth's memorandum opinion states that Alfaro and his witnesses were "conservatively speaking, less than creditable." The United States established that the information available to the Internal Revenue Service was sufficient to conclude that Alfaro had drug income in the amounts projected.

Litigation to Enforce Federal Civil Programs - Tax related litigation under the Freedom of Information Act (FOIA) and Privacy Act continues to proliferate. Both acts are often utilized in attempts to obtain Government files as a substitute for discovery in pending civil or criminal cases. In Michael Alan Crooker v. Internal Revenue Service (D.C. D.C.), the plaintiff sued under the Freedom of Information Act (FOIA) for all withheld portions of enforcement records maintained under his name and records surrounding the investigation of his tax returns for the past three years. The Court upheld the Service's determination to withhold the names and identities of certain unrelated

taxpayers. The Court further upheld the Service's withholding of the names and identities of individuals (including Agency personnel) who possible criminal prosecution of plaintiff were fould exempt from disclosure pursuant. In an update of Texas Independent Producers Legal Action Ass'n. v. Internal Revenue Service (D.C. D.C.), by memorandum opinion and order dated December 20, 1984, Judge June L. Green granted the Government's motion for summary judgment in this Freedom of Information Act case. Plaintiff filed suit seeking to compel the production of any and all Internal Revenue Service and Treasury documents related to two proposed regulations under the Windfall Profit Tax dealing with "stripper wells." The Internal Revenue Service and the Department of Treasury withheld draft versions of the proposed regulations as well as the comments and recommendations of the agency employees reviewing the proposed regulations. These documents were withheld pursuant to the governmental deliberative process privilege. The Court agreed that the withheld documents were predecisional and deliberative, and that they were properly withheld from plaintiff. Also, the Court rejected plaintiff's argument that the search for documents was inadequate.

This program also has made extensive use of summons enforcement litigation to further the Service's investigations as well as to obtain financial documents from offshore "tax haven" countries banks that are used to conceal U.S. taxpayer taxable income. For example, in the Matter of the Tax Liabilities of John Does Who Were Record and Beneficial Owners of AT&T Common Stock as of December 30, 1983, Through Their Accounts with Riggs National Bank of Washington, D.C. (D.C. D.C.), the judge granted the Government's application for a summons directed to the Riggs National Bank for the names of all beneficial owners of AT&T stock which was held in the name of the Riggs on December 31, 1983. This information was sought in order that the Service may advise the beneficial owners of its position that a $.39 per share dividend is reportable on the exchange of old AT&T stock for new AT&T stock and stock in the seven original operating companies. In another case, In re John Does Transacting Business through Correspondent Banks (N.D. Ga.), service of a "John Doe" summons was directed to the Citizens and Southern National Bank, Tucker, Georgia, for records and documents reflecting correspondent bank accounts maintained by Citizens and Southern National Bank for branches of seven banks in the Cayman Islands, the Netherland Antilles, Grand Turk Island, the Bahamas, and Panama. The summons arises out of an Atlanta District project to identify illegal uses of foreign tax haven bank accounts by persons subject to United States taxation. Primary emphasis is on obtaining information concerning international electronic (wire) fund transfers and other international monetary transfers used to disguise or launder unreported taxable income. In John Does, All United States Taxpayers Who Had Foreign Bank Accounts With The Royal Bank of Canada (S.D. Fla.), in compliance with the John Doe summons served upon it by the Internal Revenue Service, the Southeast Bank, N.A. commenced the production of documents of a correspondent bank account involving transactions with the Royal Bank of Canada. The production of the documents represents the first instance in which a John Doe summons was used by the Internal Revenue Service to obtain records of a local American bank disclosing transactions by United States taxpayers with a foreign bank having branches located in the tax haven countries. The production of the requested documents permits the I.R.S. to pursue the Domestic Offshore Monetary Exchange (DOME) project which is directed at a problem that has been of great concern to the Service and Congress for sometime, namely, concealment by United States taxpayers of the receipt of taxable income through transactions with foreign banks in tax haven countries.

Program Changes: Current case receipts indicate less resources are needed in 1987. Summons and other enforcement litigation have declined due to the changes in the Tax Equity and Fiscal Responsibility Act. Therefore, it is projected that twelve attorney positions and $660,000 can be redirected from Civil Tax Litigation to aid in pursuing the Attorney General's priorities in drug enforcement and in the backlog of Appellate defensive litigation.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime drug enforcement....	9	9	$697	9	9	$715	14	12	$952	5	3	$237

Long-Range Goal: To provide consultative and investigative support and to prosecute major narcotics traffickers through multi-agency participation in the Organized Crime Drug Enforcement Task Forces.

Major Objectives:

To assist in prosecutorial efforts through active liaison between Tax Division and the 13 Regional Drug Task Forces.

To obtain successful tax prosecutions by providing guidance to Task Force personnel on evidenciary matters and theories of proof and by performing expedited review of the I.R.S. special agents' reports.

To secure expeditious authorization by the Tax Division of criminal tax cases referred by the Task Forces.

To solidify the Government's case by using the expertise of Tax Division attorneys to provide investigative procedural support.

To handle cases at the grand jury and trial stages upon request from the Task Forces.

Base Program Description: The profits generated by the illegal activities of individuals involved in drug trafficking are enormous (estimates range as high as $100 billion per year.) Such profits are frequently not reported on income tax returns. Prosecuting upper-echelon traffickers who commit criminal violations of the Internal Revenue Code and related statutes in their attempts to conceal the true amounts of their income not only punishes them for their criminal activities but assists the I.R.S. in assessing and collecting taxes on their illicit profits. In a major effort to eliminate drug trafficking enterprises, the Administration created twelve regional Organized Crime Drug Enforcement Task Forces in October, 1982. These Task Forces, which now number 13, are designed to investigate and prosecute major narcotics trafficking organizations through multi-agency participation. One of the Task Forces objectives designed to meet this goal is "to make full use of financial investigative techniques, including tax law enforcement and forfeiture action." Thus, I.R.S. investigators and D.O.J. tax prosecutors, including Tax Division lawyers, are extensively involved in this effort.

The success of the Task Forces' ability to stress financial investigations depends on inter-agency coordination and the expertise of the supporting agencies. The Criminal Section of the Tax Division has acquired substantial experience and expertise in the area of tax narcotics enforcement. From 1981 to 1984, this Section took an active and vigorous role in the area with the formation of the Tax Enforcement Narcotics Unit. This Unit, which was formed to complement U.S. Attorneys whose resources precluded their handling of lengthy tax investigations, was staffed with five line attorneys and one supervisory attorney. The attorneys in this Unit, in addition to other responsibilities, carried on a very successful tax investigative and prosecutive effort against suspected drug traffickers in the Service's Southeast Region. Further, this program assigned an attorney to the Chicago Financial Crime Task Force to assist in the investigation and prosecution of tax and tax-related aspects of cases involving major narcotics traffickers.

This liaison to the Chicago Office, later a Western Region Drug Task Force Core City, served as a successful prototype to the organization and activities of a new program for the Tax Division called Organized Crime Drug Enforcement. In FY 1985, this program was given nine attorney positions (seven workyears to provide tax liaison with the Regional Drug Task Forces). This program now provides nationwide review, litigation support, coordination and assistance services in Drug Task Force cases within the limits of the workyears available. The Criminal Sections' resources and workload are such that the liaison attorneys' expertise is also needed on non Task Force drug-related tax cases. A program attorney monitors the tax docket of a Regional Task Force and assists in investigations and prosecutions as requested by the Task Force in order to permit the expeditious and efficient review of Task Force cases involving tax offenses. The program also is available to provide consultative assistance to the various Task Forces in the financial investigation and tax area and provide legal assistance in tax cases on appeal which involve technical

and complex issues. Program attorneys provide training to the Task Forces in the area of financial investigation and criminal tax prosecution. Characteristically, Drug Task Force cases require intense involvement of liaison attorneys for extended periods. The cases generally require an extensive grand jury investigation which usually range from 9 to 40 months in length. The grand jury investigations include multiple defendants, each of whom is charged with various criminal violations. The Tax Division's attorneys serve as the tax and financial experts on the Task force team and through their involvement with all aspects of the investigation, often provide assistance on other charges as well. Their major concerns are the expeditious review and close coordination of the tax cases with the drug and other charges involved. The program's attorneys must expedite the investigation and coordinate authorization on the tax charges so they are not separated from the drug related charged in the case. Besides fulfilling the long range goal of the unit, the integrated prosecution approach results in compound benefits to the Government as it makes more efficient use of Federal resources by combining agency expertise and focusing it on common targets; it reduces duplication of agencies efforts; and ensures that maximum impact is obtained from the cases and charges brought.

Accomplishments and Workload: The accomplishments of the Organized Crime Drug Enforcement program as presented in the following table:

	1984	1985	Estimate 1986	Estimate 1987
Attorneys Assigned to Regional Drug Task Forces*	...	9	9	13
a. Number of Defendants in Cases Received	239	342	430	550
b. Prosecutions Authorized	185	282	300	370
c. Grand Jury Receipts	107	117	150	200

* While 12 Criminal Section attorneys have been designated as liaison attorneys, full-time effort has not been possible as a result of the demands of their normal caseload.

A representative example of the Tax Division attorney's multi-faceted role within the Regional Drug Task Force program is the Chicago case of United States v. Carl Valdes, et al. Tax Division attorneys actively assisted the United States Attorney's Office throughout the grand jury investigation and trial which lasted from 1982 through the summer of 1984. The investigation concerned a cocaine importation distribution network which marketed cocaine with a street value of approximately $50 million. The grand jury investigation ultimately resulted in the indictment of twenty-one individuals on charges including RICO, continuing criminal enterprise, and criminal tax violations. The case concluded during the summer of 1984 with twenty of the twenty-one defendants being adjudicated guilty. The remaining defendant is a fugitive.

With respect to specific cases arising out of Task Force investigation during the past year, in United States v. Jerry W. Kilpatrick, et al. (E.D. Va.), a Mid-Atlantic Regional Drug Task Force grand jury investigation resulted in the sentencing on July 19, 1985 of Jerry W. Kilpatrick, the kingpin of a multimillion dollar Columbian marijuana importation and distribution ring to 18 years in prison and a fine of $35,000. The proceeds of the drug operation were laundered through corporate entities in the Cayman Islands, the Netherland Antilles and Panama. For the years 1980 and 1981, Kilpatrick failed to report $3,600,000 in taxable income derived from the narcotics trafficking activities and attempted to evade $1,750,000 income taxes. On May 2, 1985, Robert Bartlett, an associate and money launderer for Jerry W. Kilpatrick pled guilty to willfully filing a false income tax return for 1980. Mr. Bartlett failed to report $150,000 in drug income. Michael C. Worth, Kilpatrick's principal lieutenant, is

charged with filing false income tax returns for 1980 in violation of 26 U.S.C. Section 7206(1). In another case, United States v. Reckmeyer, et al. (E.D. Va.), on March 13 and 14, 1985, in Alexandria, Virginia, Robert and Christopher Reckmeyer, kingpins of a nationwide narcotics operation headquartered in Loudon County, Virginia, which distributed over 293 tons of Colombian marijuana and Lebanese hashish and generated over $100,000,000 in profits since 1974, pled guilty to both continuing criminal enterprise and income tax violations. In April of 1985, Robert Reckmeyer was sentenced to a total of 24 years in prison with no possibility for parole. The sentence included three years for filing a false corporate tax return for 1980, which overreported corporate gross receipts in an effort to launder drug proceeds. Mr. Reckmeyer also forfeited to the Government $2,500,000 in assets. Patricia Reckmeyer, Robert's Reckmeyer's wife, received a suspended sentence and three years of supervised probation for filing a false individual tax return in 1980. On May 17, 1985, Christopher Reckmeyer was sentenced to serve 17 years in prison for his convictions for operating a continuing criminal enterprise and income tax offenses. Mr. Reckmeyer will not be eligible for parole. All defendants arrested following the January, 1985 indictment arising out of the Operation Flying Carpet investigation have either pled guilty or been sentenced. Eleven other defendants, including Bruce W. Thompson, the alleged third kingpin in the operation, are fugitives.

Program Changes: Since the Drug Task Forces were established, they have become one of the Government's major weapons for combating drug trafficking and organized crime activities. The Task Force Program"s cases increasingly include tax charges, i.e., 53 percent in 1984. The OCDE Task Force Program is consciously emphasizing forfeitures to cripple drug organizations by taking away their profits. The I.R.S. intends to commit a substantial level of resources to the Special Enforcement areas of organized crime and narcotics trafficking. The current administration lists the war on drug traffickers as one of its priorities. Attorney General Meese ranked "the war on drugs" first on his areas for emphasis in 1987.

With the additional resources, the Tax Division will assign one liaison attorney to each of the thirteen OCDE Regional Task Forces. We will continue to prosecute high level narcotics traffickers, such as the Reckmeyer brothers thus sending a strong message to all those similarly involved. The Tax Division will lend assistance to assure that tax counts are developed in a timely fashion so a unified Government prosecution effort proceeds against drug traffickers. The Tax Division is proud of the contribution it has made in the effort to curtail organized crime and drug trafficking. However, in order to carry out in a competent fashion our responsibilities to priorities set by the Administration and the Attorney General, we need the resources requested.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration	98	111	$4,379	98	111	$4,329	98	111	$4,329	...	...	...

Long-Range Goal: To provide overall supervision and management direction to all Division programs, and to select, develop, and lead the Division's supervisory and management team; to initiate new Division programs and directions, in response to Administration priorities; to monitor and provide timely review, analysis and comment on proposed legislation affecting the Division's policies and practices and the internal revenue laws; to ensure the fulfillment of the Division's administrative responsibilities under the Freedom of Information and Privacy Acts and Section 6103 of the Internal Revenue Code and to provide essential administrative support services.

Major Objectives:

To ensure the maintenance of precise, consistent, and uniform litigating positions and to enhance Division liaison and relations with the Internal Revenue Service.

To identify, and to review thoroughly, proposed legislation of interest to the Division, to respond to all legislative inquiries, and to utilize this unit's expertise in tax litigation in developing legislative solutions to recurring problem areas.

To conform to both the legislatively prescribed response deadlines and statutorily mandated tax return information confidentiality requirements in the handling of FOIA and Privacy Act matters.

To provide essential administrative support services to all programs of the Tax Division through both the continued performance of current activities and the identification of those areas in which administrative management techniques, modern office practices and equipment, improved productivity and other innovations can be initiated to support the Division's overall mission.

Base Program Description: Direction, focus, and leadership in each area of its activity are prerequisites to the Tax Division's ability to discharge successfully its responsibilities as legal counsel to the Internal Revenue Service and other client agencies. This program's Executive Direction and Control component provides leadership for the Tax Division in all areas of its litigation responsibilities and represents the Division's position on a variety of issues of interest to client and other outside agencies, the Congress, and various public interest organizations. Specifically, this program is responsible for: (1) providing civil and criminal tax litigation policy leadership, guidance, and support; (2) promoting effective communication flows and strengthened liaison with the Internal Revenue Service and other client agencies; (3) developing and reviewing the Division's major litigation decisions in order to ensure that appropriate and uniform national policies are being developed and maintained; and (4) negotiating and/or evaluating and making recommendations on those compromises effected by the Division which involve sharp differences of opinion or are particularly significant in terms of issues or money. In addition, the program's legislative staff is responsible for providing reports to the Congress, the Office of Management and Budget, the Office of Legal Policy, and the Office of Legislative Affairs concerning pending or proposed legislation, coordinating the Division's legislative efforts, to include identifying legislative proposals of interest to the Division and developing the Division's views. In the FOIA/PA administrative area, the Freedom of Information and Privacy Unit is responsible for developing and coordinating the Division's response to all taxpayer requests under the Acts and related statutory provisions and for handling administrative appeals arising from the denial of such requests.

The Administrative Services component is divided into four basic components: (1) the Executive Office, which has responsibility for providing the overall control and guidance to the program; (2) the Comptroller's Staff, which has responsibility for the financial management, budget, and program evaluation functions; (3) the Information Resources Staff, which has responsibility for the development, coordination, and maintenance of the automated case management, litigation support, and word-processing activities of the Division; and (4) the Services Staff, which is responsible for the personnel management, resource services, and case and file control components of the program.

Accomplishments and Workload:

In the Executive Direction and Control program, the Division's leadership has continued to emphasize effective management and full resource utilization, made management and organizational changes needed to improve efficiency and coordination, participated in the development and supported tax enforcement programs of the Internal Revenue Service, maintained positions in litigation necessary to provide

a consistent, equitable tax system, and participated fully in Departmental programs and priorities. More specifically, the Division's management formed the Office of Special Litigation as a new part of the Civil Tax Litigation organization, now staffed by over 20 lawyers, to handle abusive tax shelter injunction, penalty, and related litigation. In a little more than one year, this Office has received over 115 cases, potentially affecting tens of thousands of investors and over $4 billion in tax revenues, and has had remarkable successes in obtaining injunctions against promoters in the filed cases while continuing to place emphasis on tax shelter prosecutions. Division management has allocated additional criminal attorneys to three other priority areas - prosecution of leaders of the tax protester activities, support of the Organized Crime Drug Enforcement Task Forces, and the delineation and definition through litigation of the Government's ability to obtain evidence from offshore jurisdictions having bank and company secrecy laws. A great deal of emphasis in the last year has been placed on the Division's recruiting and training programs. New programs have been initiated and others expanded to provide attorneys with enhanced advocacy skills, to start a summer law clerk program, to increase the use and training of paralegal support, and to enhance and improve the Division's automation and technical support capabilities. The Division also completed during the past year a restructuring of its Criminal Section to create three regional units and a policy office to improve coordination with and assistance to United States Attorneys.

The Administrative Services program has been active in all three major areas of its responsibility. With respect to the Comptrollers Staff, the implementation of the Citicorp Diners Club Government Credit Card Program has presented major challenges not only with respect to the replacement of Division travelers' reliance on the "old method" of travel advances and Government Transportation Requests (GTR's), but also with respect to ensuring that travelers are reimbursed in a timely manner in order to meet their obligations to Diners Club. One major innovation has been the centralization of all travel activity into one office, in anticipation of Government-wide move to utilize commercial travel agents to handle all travel. This Staff also have been actively involved in responding to new Departmental and Office of Management and Budget requirements with respect to A-123 (Internal Controls) and A-76 (Productivity Improvements), as well as providing the necessary budgetary and financial management expertise to support the Division's major personnel increase in 1985.

For the Information Resources Staff, there were two principal areas of activity during 1985: improving the performances of the Division's case management system, and planning for the installation of a Division-wide office automation network. Hardware upgrades, including completing the transfer of the case management database to an IBM System 38 mini-computer, resulted in improvements in both storage capacity and number of available terminals. All senior Division managers received hands-on training in the use of the system, and major revisions were made in the content and format of management reports. These efforts on improved use of the case management system were elements of a concerted effort to involve managers more directly in planning for use of computers in the Division. A group of senior attorneys drafted a strategic plan for the Division's office automation efforts and a contractor was engaged to develop specific proposals for implementing the recommendations. At the same time, and as part of the planning process, the Division established a prototype office automation project in its Appellate Section, using a shared logic word processor as the hub of a network of terminals and personal computers. The combined results of these planning efforts form the basis for the Division's office automation proposal for 1987.

The overriding concern of the Services Staff during the past year has been the coordination of the hiring of new attorney, paralegal, and support personnel and the preparation of sufficient office space, equipment and communications for all of the Division employees to include more recently, extensive planning for movement of over one half of the Division workforce to a new facility. Emphasis has been placed on the improvement of support services in all areas of responsibility. This area has successfully achieved these improvements despite major increases in overall Division personnel, while maintaining its own number of employees at current levels.

In response to the Government-wide initiative to reduce Management and Administration costs, a decrease in funding of $69,000 is requested for this program in 1987. In order to accomplish this initiative, analysis and plans have been undertaken to restructure a number of the administrative delivery systems to take advantage of anticipated efficiencies by using private contractor, departmental and government wide services in areas such as supply and mail messenger.

Tax Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

ITEM	Federal Appellate Activity		Civil Tax Litigation		Organized Crime Drug Enforcement		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM 14	2	$89	...	...	2	$89	4	$178
GS/GM 13	4	150	-5	-$196	2	75	1	29
GS 12	4	126	-7	-224	...	...	-3	-98
GS-06	2	32	...	...	1	16	3	48
Total positions and annual rate	12	397	-12	-420	5	180	5	157
Lapse (-)	-4	-130	...	...	-2	-67	-6	-197
Total Workyears & Comp. personnel benefits	8	267 30	-12	-420 - 48	3	113 12	-1	- 40 - 6
Travel		14		- 48		30		- 4
Transportation		...		- 2		...		- 2
GSA rent		39		- 48		18		9
Rental Payments to others		...		...		...		...
Util., comm. & misc. charges		18		- 36		20		2
Printing		4		...		...		4
Other Services		30		- 36		17		11
Supplies		8		- 11		16		13
Equipment		16		- 11		11		16
Total, workyears & obligations, 1987	8	426	-12	-660	3	237	-1	3

Tax Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program	
Program	Ranking
Organized Crime Drug Enforcement	1
Federal Appellate Activity	2
Management and Administration	3
Criminal Tax Prosecution	4
Civil Tax Litigation Activity	5

Program Increase	
Program	Ranking
Federal Appellate Activity	1
Organized Crime Drug Enforcement	2

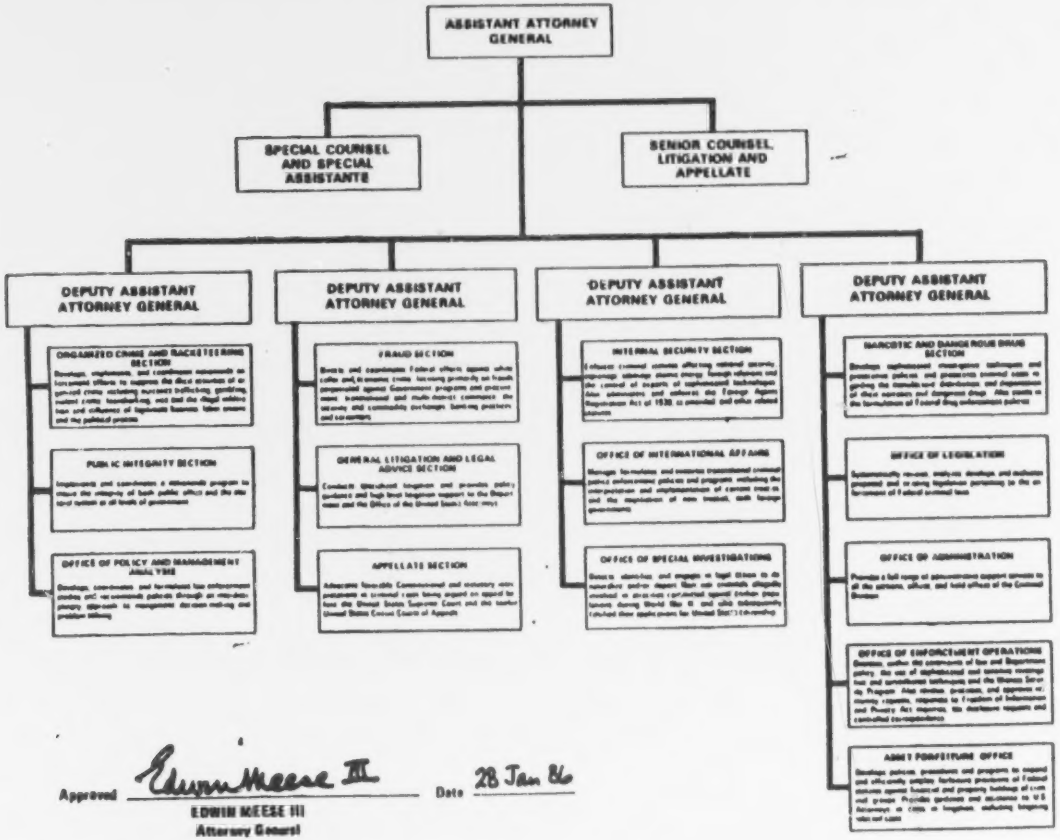
Tax Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Increases	1987 Program Decreases	1987 Total
Attorneys (905)	343	343	14	-12	345
Paralegal Specialists (950)	17	17	...	...	17
Other Legal and Kindred (900-998)	29	29	...	...	29
General Admin. Clerical and Office Services (300-399)	240	240	3	...	243
Accounting and Budget (500-599)	5	5	...	...	5
Total	634	634	17	-12	639
Washington	616	616	17	-12	621
U.S. Field	18	18	...	...	18
Total	634	634	17	-12	639

CRIMINAL DIVISION



Approved Edwin Meese III Date 28 Jan 86

EDWIN MEESE III
Attorney General

55

Criminal Division

Salaries and expenses, General Legal Activities

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 Request as Amended			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal Appellate Activity	29	29	$1,843	...	...	-$13	...	...	...	29	29	$1,830
Organized Crime Prosecution	240	227	14,573	...	...	-102	...	...	...	240	227	14,471
Public Integrity	35	34	2,216	...	...	-16	...	...	...	35	34	2,200
Fraud	75	69	4,894	...	...	-34	...	...	...	75	69	4,860
Narcotic & Dangerous Drug Prosecution	31	29	1,872	...	...	-13	...	...	...	31	29	1,859
Internal Security	32	31	1,974	...	...	-14	...	...	...	32	31	1,960
General Litigation & Legal Advice	52	50	3,273	...	...	-23	...	...	...	52	50	3,250
Office of Special Investigations	47	47	3,149	...	...	-22	...	...	...	47	47	3,127
Prosecution Support	120	115	5,954	...	...	-42	...	...	...	120	115	5,912
Organized Crime Drug Enforcement	6	6	602	...	...	-4	...	...	...	6	6	598
Management & Administration	89	91	4,688	...	...	-23	...	...	...	89	91	4,665
Total	756	728	45,038	...	...	-306	...	...	...	756	728	44,732

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

In enacting P.L. 99-180, the Congress reduced the funds available for personnel costs. The President's original budget request contemplated an across-the-board reduction of five percent in the salaries of federal civilian personnel. After the Congress declined to authorize the requested pay reduction, the President asked that these funds be restored. The Congress, however, only restored 80 percent of the reduction included in the original request. The Congress also reduced the Division's portion of the 1986 relocation amendment by $83,000. In addition, an unspecified reduction of $26,000 was applied to this account.

Criminal Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	756	728	$44,732
Savings from management initiative	...	...	-152
Uncontrollable increases:			
Within-grade increases	...	...	295
Health benefit costs	...	...	29
GSA rent	...	...	1,697
GSA recurring reimbursable services	...	...	13
Postal service increases	...	...	17
Telephone system line changes	...	...	137
Departmental printing and reproduction costs	...	...	4
GPO printing costs	...	...	10
General pricing level adjustment	...	...	178
Annualization of 1986 relocation amendment	...	...	83
Total uncontrollable increases	...	...	2,463
Decrease:			
Federal Telecommunications System (FTS)	...	...	-58
1987 base	756	728	46,985

	1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
1. Criminal matters	756	702	$42,373	756	728	$44,732	756	728	$46,985	769	724	$47,147	13	-4	$162

723

Criminal Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Federal appellate activity.....	29	[illegible]	$1,643	29	27	$1,709	29	29	$1,830	29	29	$1,916	28	28	$1,874	-1	-1	$-42
Organized crime prosecution....	240	2[illegible]	14,090	240	221	13,943	240	227	14,471	240	227	15,187	249	230	15,438	9	3	251
Public integrity (corruption)..	35	34	2,148	35	32	2,178	35	34	2,200	35	34	2,304	34	33	2,262	-1	-1	-42
Fraud.....	75	66	4,245	75	62	4,256	75	69	4,860	75	69	5,084	80	71	5,233	5	2	149
Narcotic & dangerous drug prosecution.....	31	29	1,812	31	32	1,867	31	29	1,859	31	29	1,951	35	31	2,082	4	2	131
Internal security.....	32	31	1,728	32	29	1,644	32	31	1,960	32	31	2,055	30	29	1,970	-2	-2	-85
General litigation & legal advice.....	52	45	2,865	52	41	2,784	52	50	3,250	52	50	3,405	52	50	3,405	...	...	...
Office of special investigations.....	47	47	3,072	47	45	2,908	47	47	3,127	47	47	3,267	47	47	3,267	...	...	...
Prosecution support.....	120	105	5,168	120	114	5,283	120	115	5,912	120	115	6,270	125	115	6,317	5	...	47
Organized crime drug enforcement.....	6	6	595	6	6	616	6	6	598	6	6	616	6	6	616	...	...	...
Management & administration....	89	91	5,158	89	93	5,185	89	91	4,665	89	91	4,930	83	84	4,683	-6	-7	-247
Total.....	756	706	42,524	756	702	42,373	756	728	44,732	756	728	46,985	769	724	47,147	13	-4	162
Other Workyears																		
Overtime.....		2			3			2			2			2			...	
Total compensable workyears.....		708			705			730			730			726			...	

Criminal Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Criminal matters	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	29	29	$1,830	29	29	$1,916	28	28	$1,874	-1	-1	-$42
Organized crime prosecution	240	227	14,471	240	227	15,187	249	230	15,438	9	3	251
Public integrity (corruption)	35	34	2,200	35	34	2,304	34	33	2,262	-1	-1	-42
Fraud	75	69	4,860	75	69	5,084	80	71	5,233	5	2	149
Narcotic & dangerous drug prosecution	31	29	1,859	31	29	1,951	35	31	2,082	4	2	131
Internal security	32	31	1,960	32	31	2,055	30	29	1,970	-2	-2	-85
General litigation & legal advice	52	50	3,250	52	50	3,405	52	50	3,405	...	...	...
Office of special investigations	47	47	3,127	47	47	3,267	47	47	3,267	...	...	...
Prosecution support	120	115	5,912	120	115	6,270	125	115	6,317	5	...	47
Organized crime drug enforcement	6	6	598	6	6	616	6	6	616	...	...	...
Management & administration	89	91	4,665	89	91	4,930	83	84	4,683	-6	-7	-247
Total	756	728	44,732	756	728	46,985	769	724	47,147	13	-4	-162

This budget activity includes resources for the primary missions of the Criminal Division. Funds requested for this activity support personnel involved both at headquarters and in the field in the prosecution of over 900 criminal statutes.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Federal appellate activity	29	29	$1,830	29	29	$1,916	29	29	$1,874	-1	-1	-$42

Long-Range Goal: To secure judicial interpretations favorable to the administration of criminal justice.

Major Objectives:

To prepare briefs and petitions for the Solicitor General in Supreme Court cases.

To handle circuit court appeals referred to this program by other components of the Division and by the United States Attorneys.

To prepare memoranda on behalf of the Criminal Division to the Solicitor General recommending whether further review should be sought for lower court decisions which are adverse to the government.

To devise creative and, when necessary, innovative approaches to issues of first impression so as to provide a foundation for the development of new concepts in criminal law.

Base Program Description: The Appellate Section reviews all federal criminal cases presented to the Supreme Court for a writ of certiorari, the Section determines whether to respond or to waive a response because the written opinion of a lower court adequately answers the claims presented in the petition. If a response is deemed unnecessary, that decision is forwarded to the Office of the Solicitor General. If the decision is made to respond to the petition, a brief opposing review by the Supreme Court is prepared by an Appellate Section attorney and forwarded to the Solicitor General for approval and filing. The Appellate Section also examines Court of Appeals decisions that are adverse to the Department of Justice, making influential recommendations to the Solicitor General on behalf of the Criminal Division as to whether review of these decisions by the Supreme Court should be sought. The Solicitor General authorizes a request for Supreme Court review, the Section prepares petitions for a writ of certiorari. The Appellate Section is charged with researching the law thoroughly and drafting the strongest possible arguments in favor of the government's position. Whenever the Supreme Court agrees to review a federal criminal case, the Appellate Section is responsible for formulating the position of the Criminal Division on issues presented for review, researching the applicable principles of law, and drafting the Criminal Division's view for the government's brief. The Appellate Section also makes recommendations for the Criminal Division as to whether the Federal government should participate as amicus curiae in State cases pending before the Supreme Court. If such participation is authorized, the Appellate Section performs the research and brief-writing tasks in preparation for the filing of the amicus curiae brief. With regard to federal Court of Appeals cases, the Appellate Section performs several important roles. First and foremost, the Appellate Section provides advice and guidance to Assistant U.S. Attorneys who seek assistance in the preparation of an appeal to a federal circuit court. Frequently, at the request of United States Attorneys, Section attorneys write briefs and participate in oral argument. This assistance is particularly noteworthy because it leads to the handling by the Appellate Section of many important appeals containing serious constitutional questions or issues of first impression. The development of caselaw in some crucial areas has been favorable to the government's position because of the contribution of expertise by Appellate Section attorneys. Since the Supreme Court reviews fewer than one percent of all cases presented for its consideration, the decisions rendered by Courts of Appeals customarily represent the final say on critical issues of law.

726

Accomplishments and Workload: The quantitative experience and expectations of the Appellate Section are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Briefs in opposition to certiorari petitions	401	317	350	350
Court of Appeals briefs and arguments	185	196	185	185
Supreme Court briefs (including amicus curiae)	27	29	25	25
Government petitions for certiorari	21	25	20	20
Adverse decision memoranda	763	827	800	800
Supreme Court waivers of response	831	792	750	750

--Briefs and petitions in Supreme Court cases. The Appellate Section assisted the Solicitor General by preparing responses to defense petitions in 317 cases. In addition, it reviewed over twice that number to determine which petitions required a response from the government. In cases in which certiorari was granted by the Court, draft briefs were prepared by the Section. Of particular importance were the following: Luce v. United States, in which the Court held that a defendant must testify before he may preserve for appeal his challenge to the district court's in limine ruling that specific impeachment material would be available to cross-examine him; United States v. Sharpe and Savage, in which the Court held that a delay in conducting a "Terry" type stop did not vitiate the lawfulness of the search where such delay was necessary for law enforcement officers to conduct an investigation of the suspected activity; and Garrett v. United States, which permits successive prosecutions of a Continuing Criminal Enterprise (CCE) offense and of one underlying offense, and consecutive sentencing.

--Circuit court of appeal cases. Approximately 200 court of appeal cases were handled by the Section. Examples of these appeals were: United States v. Kowalchuk, which reversed the panel decision holding that defendant did not make a "material misrepresentation" regarding his pro-Nazi activities upon entering this country after World War II, and rejects the argument that Soviet control or influence over discovery requests violated due process; -United States v. White, upheld this fraud conviction in a complex case involving multiple fraudulent "change orders" submitted in connection with the construction of the space shuttle; and United States v. Woodley, upheld the President's power to make recess appointments of judges.

--Formulate innovative approaches to appellate issues. Prior to involvement by the Appellate Section, three courts of appeals had strictly construed the bail provisions of the Comprehensive Crime Control Act to preclude pre-trial detention unless a request for such relief was made at the first appearance. The Appellate Section persuaded the court to reverse the panel decision, and depart from two other court of appeals opinions on this issue, holding instead that the act only required a timely detention hearing after the request for detention was made. Similarly, the Section convinced the court of appeals in one of the other two adverse decisions to vacate its adverse precedent and obtained a favorable unpublished ruling on this issue in the Ninth and Eleventh Circuits.

Program Changes: As a matter of general policy, the Criminal Division is proposing to terminate its participation in the Attorney General's Honor Program. The Honor Program selects the best qualified graduating law student applicants and judicial law clerk applicants for employment in entry level attorney positions in the Department of Justice. The Criminal Division has annually set aside six positions for Honor Program recruits who rotate among its component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting attorneys who have substantial practical experience; and it generally has found experienced attorneys more productive and more

suitable to the requirements of the Division. For 1987, the Division, therefore, is proposing to terminate its participation in the Honor Program. The technical effect of this proposal on the resources available for Federal Appellate Activity will be a decrease of one position and $42,000, although as a practical matter the Appellate Section will only lose the benefit of one rotation tour of approximately six months' duration, of one Honor Program recruit.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime prosecution.....	240	227	$14,471	240	227	$15,187	249	230	$15,438	9	3	$251

Long-Range Goal: To reduce the influence of major organized criminal activities on the economic, political, and social institutions of the United States.

Major Objectives:

To conduct the investigation and prosecution of all major organized crime matters.

To initiate new investigative approaches and ensure full and appropriate use of all statutory and other tools effective in organized crime prosecution.

To provide prosecutorial support and assistance to other Federal, state and local officials combatting organized crime.

To maintain national liaison, planning and coordination among all Federal agencies involved in organized crime law enforcement.

Base Program Description: The resources of the Division's organized crime program have been directed at those organized crime groups which appear to pose the greatest threat to the economic, political and social well-being of the country. Most of the attorneys in this program are assigned to Organized Crime Strike Forces located in 26 major cities where organized crime is viewed as most influential and, therefore, constituting the greatest threat. The program's Washington-based office is responsible for overseeing the activities of the Strike Forces, and ensuring that they comply with the five general priority areas established for the program: organized criminal involvement in labor-management racketeering, business infiltration, violent crime, public corruption and narcotics. The policy guidance provided to the individual Strike Forces is also tailored to accommodate special regional considerations. Each individual Strike Force is responsible for coordinating the Federal effort against organized crime within its assigned region. In cooperation with the U.S. Attorneys and with state and local authorities, it identifies the major organized crime organizations and activities, conducts the appropriate investigations, and prosecutes the targeted offenders. Each Strike Force is composed of Criminal Division attorneys, investigators from virtually every Federal agency concerned with organized crime, and, in many cases, representatives of state and local agencies. This interagency approach means that more information is shared, that inefficient competition among agencies and duplication of effort is reduced to a minimum, and that the expertise of a variety of disciplines is marshaled for a unified, more comprehensive approach to the problem. Attorneys in the Strike Forces are brought into an investigation at its

inception to determine whether the case has sufficient merit to be continued, in light of established priorities, and to ensure that the conduct of the investigation both complies with all applicable legal requirements and takes advantage of the most effective statutory tools available. The Washington office is responsible for assessing the relative needs of different cities and districts for Strike Force attention. Finally, the objective to maintain liaison among all Federal agencies involved in organized crime law enforcement is being addressed at two levels. First, the fact that each of the Strike Forces is composed of representatives of virtually all these agencies means that an effective liaison is maintained at the working level through day-to-day, on-the-job contact. Prosecutors and investigators work side-by-side on their joint cases, and Strike Force heads are in constant communication with the managers of the investigators' respective agencies. Second, at the national level, the chief of the program chairs the National Organized Crime Planning Council (NOCPC), which meets almost every month. The members represent all the Federal agencies combatting organized crime, and the primary purposes served are achieving a consensus on planning national efforts, evaluating Strike Force activities, maintaining liaison among Federal agency directors, sharing information, and identifying and resolving common problems.

Accomplishments and Workload: The recent experience and future projections of the Organized Crime prosecution program are summarized quantitatively in the following table:

Item	1984	1985	Estimates 1986	1987
Matters:				
Pending, beginning of year	381	418	443	453
Opened	226	156	160	165
Closed	189	131	150	160
Pending, end of year	418	443	453	458
Cases (lead prosecutions):				
Pending, beginning of year	259	277	333	333
Opened	230	196	200	200
Closed	212	140	200	200
Pending, end of year	277	333	333	333
Disposition of defendants in cases litigated:				
Convictions	438	272	300	300
Acquittals/dismissals	93	32	35	35
Other dispositions	17	50	50	50

--Infiltration of Legitimate Business. In Philadelphia, Pennsylvania, Cosmo "Gus" Aiello, a Bonanno family member, pled guilty to conspiracy to manufacture and distribute 168,000 unauthorized counterfeit IZOD-LACOSTE "alligator" shirts in the United States, Europe and Japan. Aiello, however, was murdered while awaiting sentencing. In Boston, Massachusetts, the First National Bank of Boston pled guilty to failing to file Currency Transaction Reports for international currency transactions with foreign banks, totaling $1.22 million. The bank was fined $500,000, the largest ever imposed and paid by a financial institution for currency violations. The conviction arose out of an investigation of money laundering on behalf of La Cosa Nostra (LCN) underboss Gennaro J. Anguilo, and the businesses controlled by Anguilo and his brothers.

--Intimidation through Violence. In Rochester, New York, seven individuals, the entire hierarchy of the Rochester Organized Crime Family, were each sentenced to 40 years. The indictment charged the defendants and others comprised a criminal organization whose purposes included obtaining monies by engaging in illegal means; protecting the organization from rival groups by murder and arson; and thwarting investigations and prosecutions of its membership by murder and obstruction of justice. The indictment alleged twelve acts of racketeering committed over the eleven year period, including two murders, three attempted murders, two extortions, one arson and four obstructions of justice.

--Corruption of Public Officials. In Chicago, Illinois, Dean S. Wolfson, the so-called dean of the fixers among lawyers in the Cook County Circuit Court, was sentenced to 7½ years of incarceration, a consecutive period of five years' probation and fined $3,000 for conducting the affairs of the Cook County Circuit Court through a pattern of bribery.

--Drug Trafficking. In Syracuse, New York, eight defendants were convicted for distributing thousands of pounds of marijuana and kilo quantities of cocaine throughout Central New York. The evidence showed that the defendants used Florida suppliers and the Mexican Mafia as their narcotics sources. Two of the defendants received sentences of nine years and were fined $25,000. In Cleveland, Ohio, an LCN associate, Bernard Stella, was sentenced to two concurrent terms of eight years for a RICO conspiracy and cocaine distribution, and two concurrent five year terms for tax evasion. Stella was found to have used his air freight company as a front for his cocaine business.

--Labor Racketeering. In Philadelphia, Pennsylvania, Robert Delker, the business representative, and Richard Malgadey, the president of Lehigh Valley Painters' Union Local 1269, were sentenced to 35 years and 10 years, respectively. The defendants were convicted of conspiring to dominate the union through the systematic use of force, violence, threats, acts of vandalism and physical and economic intimidation. Delker's brother, Franklin, pled guilty, testified at the trial, and was sentenced to serve three years for his part in the conspiracy.

Program Changes: The Criminal Division proposes a reduction of one full-time permanent position, one other than permanent workyear, and $60,000. In 1987, the Division will terminate its participation in the Attorney General's Honor Program. In the past, this program has provided recruits who rotate among the Division's component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting attorneys who have substantial practical experience; and it generally has found attorneys more productive and more suitable to the requirements of the Division. Accordingly, the Division will terminate its participation in the Honor Program. In addition to terminating participation in the Honor Program, the Division will discontinue the employment of students during the summer months. These employees are often assigned projects that cannot be accomplished by regular personnel during the normal course of business. The Division, however, believes that by increasing the productivity of its full-time permanent personnel, it can avoid the necessity of hiring summer assistants. Thus, the elimination of the summer program will reduce the need for one other-than-permanent workyear in the organized crime prosecution program.

An additional 10 positions are included to satisfy existing requirements as well as to enable the Organized Crime and Racketeering Strike Forces to attend to the workload which will result from the increased staffing of investigative agents assigned to Strike Force organized crime investigations. The additional OCRS staff consists of seven attorney positions and three support positions.

In addition to fifteen Strike Force offices, suboffices are presently open in ten cities. Experience has shown that a minimum of two attorneys is necessary to operate such offices so that case development can continue even when a prosecutor is involved in trial. Because of attorney shortages, suboffices in Milwaukee, Wisconsin, Houston, Texas and Tampa, Florida are staffed with only one attorney. Further, two cities that are targeted for major organized crime enforcement efforts, St. Louis, Missouri and Phoenix, Arizona currently do not possess a regular personnel complement. Properly staffing these actual and projected field needs will therefore require an increase of seven attorneys and three support positions, two attorney positions for each of two locations that are currently unstaffed and one attorney position for each of three locations that are currently staffed by only one position. This level of staffing will enable OCRS to maintain effective relationships with investigative agencies, give adequate attention to case-making and avoid skimping on the investigative side of the attorney duties. While spreading legal resources thinly may be acceptable in ordinary prosecutions over the short term, extremely sensitive matters involving defendants represented by the best legal talent available present unique possibilities for errors which could thwart an otherwise well executed law enforcement operation.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Public integrity.....	35	34	$2,200	35	34	$2,304	34	33	$2,262	-1	-1	-$42

Long-Range Goal: To enhance the public's confidence in elected and appointed officials at all levels of government by deterring dishonesty and corruption in the discharge of the public's business and by protecting the integrity of the franchise.

Major Objectives:

To supervise the investigation and conduct the prosecution of selected corruption cases at the Federal, State and local government levels.

To supervise the investigation and conduct the prosecution of all matters involving alleged criminal misconduct by Federal judges.

To ensure an effective Federal law enforcement effort against election fraud and criminal conflicts of interest among Federal employees.

To assist U.S. Attorney personnel in developing their own capabilities to recognize, investigate and prosecute public corruption and election fraud offenses.

To respond, within the statutory time limits, to complaints subject to the Independent Counsel provisions of the Ethics in Government Act (28 U.S.C. 591, et seq.) and, after investigation, to make timely recommendations to the Attorney General concerning the need for the appointment of independent counsel in such matters.

To establish and maintain liaison with the Inspectors General and others responsible for the investigation and administrative discipline of public employees and to ensure the flow of intelligence concerning employee crimes to federal prosecutorial personnel.

Base Program Description: The Public Integrity Section prosecutes selected cases against Federal, State, and local officials, and its staff is available as a source of advice and expertise to law enforcement officials and prosecutors at all levels of government. In addition, the program serves as a center for planning, coordinating and implementing nationwide programs focused on public corruption and abuse of the franchise. Approximately 75 percent of the program's resources are presently devoted to operational responsibilities for investigation and litigation of cases and matters, while about 25 percent of its resources are presently devoted to support of United States Attorney activities. In addition to the cases it has developed itself or cases that arise out of its special initiatives, the program is responsible for the prosecution of corruption cases in which United States Attorney personnel have recused themselves, and it routinely assists in the disposition of public corruption matters involving multi-district problems or unusually sensitive subject matter.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Public Integrity Section is directly responsible are summarized quantitatively in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Matters:				
Pending, beginning of year	117	122	134	134
Opened	197	145	160	160
Closed	192	133	160	160
Pending, end of year	122	134	134	134
Cases (lead prosecutions):				
Pending, beginning of year	34	30	80	70
Opened	24	82	65	75
Closed	28	32	75	75
Pending, end of year	30	80	70	70
Disposition of defendants in cases litigated:				
Convictions	59	55	90	90
Acquittals/dismissals	3	2	...	...
Other dispositions	3	...	...	...

With respect to official corruption, two important convictions won by the Public Integrity Section in 1984 were affirmed by the appellate court in 1985. The conviction of former congressman George V. Hansen of Idaho for the filing of a false financial disclosure statement was affirmed and the conviction of Rita Lavelle, former Assistant Administrator in the Environmental Protection Agency, who had been convicted of perjury and obstruction of a congressional proceeding, was similarly upheld. The Section obtained the conviction of former U.S. Attorney J. William Petro for unlawfully disclosing confidential prosecutorial information to a friend. The conviction of a former U.S. Attorney exemplified the interest of the Section in prosecuting corruption and misconduct by federal law enforcement officials in a year that was also characterized by convictions of agents of the Drug Enforcement Administration, the Federal Bureau of Investigation and the U.S. Marshals Service.

With respect to misconduct of federal judges, the Section obtained a court of appeals decision affirming the conviction of a federal judge in the District of Nevada for violation of federal tax laws. In Mississippi, another federal judge was indicted for his intervention in the handling of a federal drug case. His indictment followed the convictions of a number of other public officials and businessmen and an extensive investigation. The case is expected to come to trial in 1986. With respect to election fraud and conflict of interest, a major prosecution was conducted by the Section in North Carolina where twelve convictions were obtained for vote fraud. Section attorneys successfully prosecuted the Chicago Board of Trade and two corporate officers for illegal campaign contributions. With respect to conflicts of interest, the Section convicted a former Assistant U.S. Attorney in Akron, Ohio, for negotiating for employment with, and accepting loans from, an individual affected by cases being handled by the attorney.

With respect to instruction in investigative and prosecutorial methods, the Section conducted a week-long corruption and election fraud conference that was attended by the FBI agents and U.S. Attorney personnel. In addition, the Section handled all Independent Counsel matters that arose within the stringent time limits of the Ethics in Government Act. Finally, the Section prosecuted employees from seven different organizations for the misapplication of government property including three employees of the CIA and two DEA employees who were assigned to the South Florida Drug Task Force. The momentum from these prosecutions has stimulated investigations that are now underway and which should produce additional prosecutions in the campaign to control the fraudulent use and/or theft of government property.

Program Changes: As a matter of general policy, the Criminal Division is proposing to terminate its participation in the Attorney General's Honor Program. The Honor Program selects the best qualified graduating law student applicants and judicial law clerk applicants for employment in entry level attorney positions in the Department of Justice. In the past, the Criminal Division has set aside six positions each year for Honor Program recruits who rotate among its component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting attorneys who have substantial practical experience; and it generally has found experienced attorneys more productive and more suitable to the requirements of the Division. For 1987, the Division, therefore, is proposing to terminate its participation in the Honor Program. The technical effect of this proposal on the resources available for Public Integrity will be a decrease of one position and $42,000, although as a practical matter the Public Integrity Section will only lose the benefit of one rotation tour of approximately six months' duration, of one Honor Program recruit.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Fraud	75	69	$4,860	75	69	$5,084	80	71	$5,233	5	2	$149

Long-Range Goal: To reduce the incidence of white collar crime through a comprehensive program of prevention, detection, investigation, prosecution, and punishment of white collar crime offenses.

Major Objectives:

To conduct fraud prosecutions which require resources that exceed the capacity of individual U.S. Attorneys.

To assist in the formulation of prosecutorial policies, especially through the conduct of selected litigation which will serve to demonstrate the viability of particular statutes, theories or techniques as model prosecutions.

To develop and enhance local, state, federal and international law enforcement cooperation in combatting white collar crime.

To identify recurring illegal schemes and devise new practices and procedures for minimizing opportunities for criminal conduct.

To provide specialized training to prosecutors and investigators on effective techniques and procedures for investigating and prosecuting white collar crime cases.

Base Program Description: The Fraud program's overall objectives are accomplished to a great extent, through the work of its four litigating branches and its Defense Procurement Fraud Unit. The primary function of the litigating branches, around which all other functions are designed, is the conduct of major criminal investigations and prosecutions. The selection of specific investigations is based on a variety of criteria, including: magnitude of the alleged fraud scheme; ability of United States Attorney's office to handle; complexity; unique fact pattern or theory of prosecution/investigation; and, contribution to long range prosecutorial goals. Many of the investigations are complex and lengthy, requiring over two years to develop, and a team of investigators and auditors with the Section prosecutor directing the team. The Fraud program has been actively involved in numerous DOD procurement fraud cases drawn from the nearly $600 million per day spent by DOD. Using their experience from prosecutions and investigations, Section attorneys present training programs for Federal auditors and investigators on a regular basis. In the securities fraud area, the Section maintains liaison with the national office of the Securities and Exchange Commission (SEC) and with the Commission's eight regional offices. Section attorneys are investigating several matters referred from SEC national headquarters and regional offices. The Section is often instrumental in obtaining evidence from foreign jurisdictions through the implementation of treaties and executive agreements on the use of Letters Rogatory proceedings, through reciprocal assistance provided by foreign prosecutors as a result of the assistance provided to them by the program, and through diplomatic channels as a result of the program's close liaison with the Department of State. Section attorneys are assigned to assist in the administration of the Foreign Corrupt Practices Act (FCPA) review procedure, established to satisfy the Presidential directive to provide guidance to the business community, thereby reducing any export disincentives created by perceived ambiguities in the FCPA. Section attorneys also provide staff support to projects of the Economic Crime Council, with the Section Chief serving as Executive Director of the Council. Through this work in particular, Section attorneys maintain ongoing liaison with several Inspectors General.

Accomplishments and Workload. The recent experience and projections for the future with regard to litigation for which the Fraud Section is directly responsible are summarized below:

Item	1984	1985	Estimates 1986	1987
Matters:				
Pending, beginning of year	82	74	47	57
Opened	34	30	50	60
Closed	42	57	40	50
Pending, end of year	74	47	57	60
Cases (lead prosecutions):				
Pending, beginning of year	43	34	20	25
Opened	31	17	30	35
Closed	40	31	25	30
Pending, end of year	34	20	25	30
Disposition of defendants in cases litigations:				
Convictions	47	42	45	50
Acquittals/Dismissals	5	3	...	...
Other dispositions	2	1	...	...

During 1985, the Fraud Section concluded a number of successful prosecutions that exceeded the capacity of individual United States Attorney Offices. These convictions include the guilty plea of E. F. Hutton to 2,000 counts of mail and wire fraud, the guilty plea of Jake Butcher and others for insider bank fraud that caused several bank failures in Tennessee and Kentucky, the guilty plea of Paul Thayer, former President of LTV, for perjury on an insider stock fraud, the guilty verdict after trial of Fred Soudan for a $56 million international insurance fraud, the guilty plea of Crawford Enterprises for the bribery of Mexican State Oil Company officials, and the guilty verdict after trial of Clark Long for misapplication of bank funds. Long is the only Penn Square official convicted to date. Other cases that were concluded in 1985 include the guilty plea of the Nashua Corp. for defective pricing of paper to gain a government contract, the guilty plea of the Gould Co. to making false statements on progress payments, the guilty plea, entered after a week of trial, of Albert Masdikian for defrauding the EPA by operating a "gray market" on exotic foreign auto imports, and the guilty plea of South Texas Steel for operating minority fronts in order to qualify for government contracts.

Throughout 1985 Fraud Section personnel regularly participated in a wide range of cooperative efforts of local, state, federal and international law enforcement. Such efforts included membership in the United States delegation to the International Organization for Economically Developed Countries to participate in the computer crime meetings; providing or obtaining material under mutual assistance treaties for or from over a dozen countries; regularly participating in the meetings of the Executive Working Group of Federal, State and Local prosecutors; conducting training sessions for Law Enforcement Coordinating Committees, the Federal Law Enforcement Training Center, National District Attorneys Association and numerous individual organizations; participating in the President's Council on Integrity and Efficiency and the several sub-groups of the Inspectors General community. Further work was accomplished through the creation in December 1984 of a Bank Working Group that was formed and within four months developed an entirely new and more efficient method of criminal case referrals by federal bank regulators.

59-584 O—86——24

Through the Economic Crime Council, the Fraud program selects areas of national significance for appropriate focus and attention and develops projects for United States Attorneys' Offices and the Fraud Section where appropriate. Present areas and emphasis include health care providers, defense procurement, boiler rooms, insider bank failures due to fraud; insider securities trading, and professional con-artists. While case prosecution is important, detecting the crime is the first stop. For example, the Fraud program has developed, along with the Federal Bureau of Investigation (FBI), the Economic Crime Index (ECI) to better identify the top professional con-artists working in the country. Using the existing facilities of NCIC, when an investigative agency opens the appropriate type of case on a person already in NCIC, FBI headquarters will notify the relevant agencies of each other's investigations.

During 1985 the Fraud Section provided specialized training for federal prosecutors through the semi-annual Economic Crime Enforcement Conferences; Fraud & Financial Crime Seminars; Defense Procurement Fraud Seminars; Securities Fraud Seminars; and regional seminars on selected topics. The Section also participated each month in the Federal Law Enforcement Training Center's white collar crime course and dozens of localized training programs.

Program Changes: In 1987, the Criminal Division will achieve a decrease in the resources for this program by terminating its participation in the Attorney General's Honor Program which selects the best qualified graduating law student applicants and judicial law clerk applicants for employment in entry level attorney positions in the Department of Justice. The Criminal Division has annually set aside six positions for Honor Program recruits who rotate among its component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting attorneys who have substantial practical experience; and it generally has found experienced attorneys more productive and more suitable to the requirements of the Division. Although the technical effect of this proposal on the 1987 resources available for Fraud will be a decrease of one position and $42,000, as a practical matter the Fraud Section will only lose the benefit of one rotation tour of approximately six months' duration, of one Honor Program recruit.

An increase of six additional positions—three attorney positions and three support positions--and $191,000 is requested to buttress the Departments of Defense and Justice joint Defense Procurement Fraud Unit. As described earlier, this Unit is a central clearing house for nationally significant DOD procurement fraud investigations which receives investigations through the four DOD investigative branches. The number of agents assigned to these investigations, currently approximately 700 strong, are scheduled to be increased by approximately 20 per cent, and that in turn will result in an increase in the workload of the Unit and the Section in 1986 and 1987. In 1983, the first year of operation, the Unit indicted 15 defendants in 9 cases and 13 defendants in 9 cases in 1984. Due to the increasing complexity of the cases being presented, the Unit indicted ten defendants in six cases in the first six months of 1985. When the four section attorneys are engaged in trial preparation and trials (10 cases involving 14 defendants in FY 1984), they are unable to continue the needed grand jury and other work on pending investigations. Thus, there is a surge cycle that is characterized by alternating periods of heavy investigative activity followed by intense trial work.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Narcotic and dangerous drug prosecution	31	29	$1,859	31	29	$1,951	35	31	$2,082	4	2	$131

Long-Range Goal: To combat the growth of major criminal enterprises involved in drug trafficking by prosecuting the organizers and heads of criminal organizations that manufacture, smuggle, and distribute illicit drugs on a national or international scale.

Major Objectives:

To assist in the formulation of Federal drug prosecution policies, including the development of innovative investigative and prosecutorial methods and the enhancement or modification of existing statutory authorities to foster more effective drug enforcement.

To prosecute directly and/or to assist U.S. Attorneys in major international and multi-district cases involving the most significant violators or in implementing innovative prosecutorial methods, especially in the area of narcotics-related financial investigations.

To furnish instruction that will improve the effectiveness of federal enforcement agents and prosecutors who are responsible for investigating and litigating drug cases.

To promote interagency and inter-jurisdictional cooperation in the conduct of drug investigations and drug prosecutions.

To provide legal advice to the Executive Director of the Organized Crime Drug Enforcement Program and to otherwise assist the Director in matters pertaining to policy, implementation and evaluation of the program.

Base Program Description: This program works to alleviate the conceptual and operational problems that have historically limited the effectiveness of the Federal drug enforcement effort. Its efforts involve three main areas of activity. Organizing major investigations and prosecutions that extend traditional methods, assuming direct responsibility for the prosecution of specific cases and providing legal support, in the form of instruction and advice, to drug enforcement and prosecutorial agencies. The first activity is to be exemplified by Operation Greenback. This highly sophisticated enforcement operation is directed at identifying the assets and profits of illegal drug trafficking organizations and then seizing and obtaining the forfeiture of those assets. These efforts to disrupt the financial arrangements supporting drug distribution networks are conducted in addition to the prosecution of offenders under the drug laws. This program has provided hands-on training for enforcement agents and prosecutors in investigating and prosecuting the financial aspects of drug cases. The program, in addition, has fostered ongoing interagency cooperation because the investigations are conducted on a multi-agency basis.

All of the cases for which the Section assumes operational responsibility involve Drug Enforcement Administration Class I violators, have international or multi-district ramifications, and involve more than one federal investigative agency. The criteria considered in evaluating requests for this program's involvement include: the size, complexity and importance of a case, the extent to which the case exceeds the United States Attorney's resources, the likely investigative and prosecutive results if the Section declines the case, and the need for multi-district or interagency coordination. These cases are also undertaken at the request of the U.S. Attorney in situations where the U.S. Attorney has insufficient resources, where there could be a conflict of interest or for some other appropriate reason. The legal support activities of the Section include advising U.S. Attorney personnel on such matters as Department procedures, and recent court decisions, etc., reviewing adverse district court decisions for consideration of appellate review, analyzing legislative proposals, producing training courses and conferences, publishing a regular newsletter and assorted monographs, and participating in interagency working groups.

Accomplishments and Workload. The recent experience and projections for the future with regard to litigation for which the Narcotic and Dangerous Drug Section is directly responsible are presented quantitatively in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Matters:				
Pending, beginning of year	49	45	38	38
Opened	11	3	10	10
Closed	14	10	10	10
Pending, end of year	45	38	38	38
Cases (lead prosecutions):				
Pending, beginning of year	17	28	23	23
Opened	15	5	10	10
Closed	4	10	10	10
Pending, end of year	28	23	23	23
Disposition of defendants in cases litigated:				
Convictions	29	25	25	25
Acquittals/dismissals	2	1	...	...
Other dispositions	4	...	...	...

Some of the major accomplishments of the Narcotic and Dangerous Drug Section in Fiscal Year 1985 include the following cases for which Section attorneys were directly responsible or in which they assisted U.S. Attorneys:

In Nevada, the Section prosecuted the principals in a heroin distribution ring that reached all the way to Palestine. All the defendants were convicted in a conspiracy prosecution. The leader of the ring was sentenced to forty years and fined $50,000. In a drug Task Force investigation in Phoenix, 39 individuals were charged in a 77-count indictment, including CCE and related narcotics counts, tax charges, RICO and money laundering violations. The defendants in the case are thought to have been responsible for the distribution of 200,000 lbs. of marijuana and 30 kilos of cocaine. All of the defendants tried were convicted. In a Drug Task Force investigation, Operation Checkmate II in Miami, 23 individuals were indicted for conspiracy and money laundering. At the end of 1985, 17 defendants had been convicted. In Tampa, the Narcotic Section prosecuted 18 defendants for conspiracy, money laundering and racketeering involved RICO charges. The principal targets included a St. Petersburg attorney and his stock broker. Sixteen defendants were convicted and they received sentences that ranged from 160 years and a $25,000 fine to 6 years.

In addition to the criminal prosecutions handled by Section attorneys, the Section provided litigation support in the following areas: 75 consultations concerning Continuing Criminal Enterprise (CCE) prosecutions, with Dangerous Special Drug Offender applications, 18 consultations on the parole of aliens into the United States, 3 consultations on provisional arrest for extradition, 684 consultations on pretrial detention in narcotics cases (534 granted, 150 denied), 100 requests for electronic surveillance, and 76 requests for witness protection in narcotics cases, 4 consultations on the utilization of the pharmacy robbery statute, and 14 consultations on dual prosecution of defendants following a previous state or federal proceeding. Also in 1985, the Section published five Narcotics Newsletters, sponsored three annual training conferences for agents and prosecutors, provided legal advise to various elements of the federal law enforcement community, including the Coast Guard. The Section promoted interagency cooperation through the development of policies concerning the dissemination of classified information to prosecutors for use in litigation and policies affecting the coordinated use of equipment and other resources at the disposal of the various enforcement agencies.

Program Changes: An increase of two attorney positions, and two support positions, and additional funding amounting to $131,000 is requested for the Narcotic and Dangerous Drug Section. Over the past year, the number of requests for litigation assistance from both the Organized Crime Drug Enforcement Task Forces as well as from United States Attorneys in traditional drug cases has doubled. This increase has occurred because the complex cases developed by the OCDE Task Forces are just reaching the point of departure for the initiation of prosecutorial proceedings. Cases are now pending in Chicago, St. Louis, Albany, San Juan, and Miami that require additional attorney assistance that is not now available. DEA has informed the Division that some of their cases are on a back burner because there is insufficient prosecutorial help available in the field. The Narcotic and Dangerous Drug Section with 20 attorneys, now has litigation commitments in 15 cities requested over the last eight months. The task force office has informed the section that requests for new task force attorneys and new cases have jumped 100% in 12 months. Although 152 additional positions have recently been authorized for the OCDE Task Forces in the 1985 Supplemental Appropriations Act, additional positions are required in the Criminal Division so that an adequate prosecutorial capacity is available to respond to extraordinary circumstances as they arise in the OCDE Task Forces or in the U.S. Attorney Offices.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Internal security	32	31	$1,960	32	31	$2,055	30	29	$1,970	-2	-2	-$85

Long-Range Goal: To enforce, in an effective and uniform manner, approximately 100 criminal statutes and regulations affecting the national security and foreign relations of the United States.

Major Objectives:

To investigate and litigate cases and matters in the area of national security.

To provide oversight and supervision of all prosecutions involving the Neutrality statutes, the Espionage statutes, the Arms Export Control Act, the Export Administration Act and the Classified Information Procedure Act.

To provide legal support and investigative guidance to all Federal investigative agencies engaged in national security matters.

To administer and enforce the Foreign Agents Registration Act (FARA) and two additional registration statutes.

To enforce the Federal Regulation of Lobbying Act, a conflict of interest statute, and a portion of the Federal Election Campaign Act of 1976.

To provide assistance to Members of Congress and all other appropriate officials involved in the regulation of lobbying.

To provide staff support (in particular, the Executive Secretary) to the Interdepartmental Committee on Internal Security (ICIS).

Base Program Description: This program enforces statutes and regulations relating to the national security and foreign relations of the United States by: supervising investigations and prosecutions involving national security and foreign relations; providing legal and policy guidance to U.S. Attorneys, law enforcement agencies and the intelligence community in the area of national security litigation; administering and enforcing the FARA, including the registration of representatives of foreign governments and entities; supervising investigations, conducting inspections and conducting all FARA-related criminal and civil litigation; providing specialized legal support to U.S. Attorneys in the areas of policy interpretation, legal research, and the drafting of indictments, pleadings and other legal papers; directly participating in criminal litigation, including grand jury proceedings, trials, appeals, and related legal actions; developing, analyzing and evaluating proposed legislation related to the internal security field; serving as the focal point for interagency coordination in cases such as espionage, neutrality, arms export control and export administration violations and cases involving the Classified Information Procedures Act; and, providing staff support personnel, including the Executive Secretary, to the Interdepartmental Committee on Internal Security.

Accomplishments and Workload: The recent experience and projections for the future with regard to cases for which the Internal Security Section is directly responsible is summarized quantitatively in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Matters:				
Pending, beginning of year	38	30	19	19
Opened	6	6	15	15
Closed	16	17	15	15
Pending, end of year	30	19	19	19
Cases:				
Pending, beginning of year	9	17	3	5
Opened	8	20	10	10
Closed	...	34	8	10
Pending, end of year	17	3	5	5

	1984	1985	Estimates 1986	1987
Disposition of defendants in cases litigated:				
Convictions	...	36	12	12
Acquittals/dismissals	...	...	1	...
Other disposition	...	...	...	...

During 1985, twelve persons were indicted for espionage on behalf of foreign governments, and two other persons were charged with disclosing national defense information to unauthorized persons. Also, six persons were convicted of espionage, and four others convicted of disclosures of classified information to unauthorized persons. Among the most significant of the foreign espionage cases were those of John A. Walker, and Jerry A. Whitworth, who were charged with espionage on behalf of the Soviet Union. John A. Walker, a retired Chief Warrant Officer in the U.S. Navy, was arrested in Maryland on May 20, 1985, after he left classified Navy documents at a "dead drop." Subsequent investigation lead to the arrest and indictment of Michael Walker, a Navy enlisted man, Arthur J. Walker, a retired Lieutenant Commander, and Jerry Whitworth, a retired Chief Radioman. Arthur Walker was convicted and is awaiting sentencing. The remaining defendants were awaiting trial at the conclusion of the fiscal year. In another important case, Richard W. Miller, a Special Agent of the FBI, was arrested and charged with espionage offenses involving the Soviet Union. Miller is the only FBI agent ever charged with espionage. His codefendants, Svetlana Ogorodnikova and Nicholay Ogorodnikov, a Russian emigre couple, pled guilty after two months of trial. Nicholay was sentenced to eight years. Miller's trial began on August 6, 1985, with a mistrial declared after the end of the fiscal year. Thomas P. Cavanagh, an employee of a major aircraft manufacturer, was sentenced to two concurrent life terms following his plea of guilty to attempting to commit espionage on behalf of the Soviet Union. Cavanagh had offered to sell plans on the Stealth bomber to persons he thought were Soviet agents, but who were undercover FBI agents.

The Section also participated in arranging for a prisoner exchange that came about as a result of successful prosecutions. Three persons who had been convicted of espionage and a fourth person who was awaiting trial for espionage, were transported to Berlin and exchanged for 25 persons being held in East Germany and Poland as a result of their activities on behalf of United States intelligence agencies. Gaining the release of these individuals satisfied a long standing objective of the U.S. Government.

With respect to prosecutorial supervision and assistance, the Section supervised 35 cases involving the Classified Information Procedures Act, and organized the Classified Information Seminar which provided training to Assistant United States Attorneys and Departmental prosecutors and enhanced the ability of the Department to protect national security information during investigations and litigation. In the export control enforcement program, indictments were returned in 42 cases against 112 defendants. The stimulation of this program by the Section has assisted in protecting important neutrality, foreign policy and national security interests. In particular, the unlawful transfer of military and strategic commodities and technology to the Soviet Union and its Warsaw Pact allies.

With respect to the foreign Agents Registration Act, the Section received 105 additional registrations under the Foreign Agents Registration Act (FARA), bringing the total number of registrations to 3,741 of which 760 are active. Short-form registrations increased by 705, bringing the total to 17,926 of which 7,566 are active. This aspect of the Section's activities includes in-depth inspections of a broad spectrum of

registrants to insure that they comply with the disclosure provisions of FARA. The Section also conducted field and office conferences to assist registrants in meeting their reporting obligations under the Act. Further, the reports of over 750 active registrants on their finances and political activities were processed as well as approximately 3,000 other documents to insure that accurate and complete information is available for public review.

Program Changes: As discussed previously, the Criminal Division intends to drop its participation in the Attorney General's Honor Program. The Honor Program select the best qualified graduating law student applicants and judicial law clerk applicants for employment with the Department of Justice. The Criminal Division has annually set aside six positions for Honor Program recruits who rotate among its component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting requirements of the Division. Although the resources available for Internal Security will be a decrease of one position and $42,000, as a result of this decision, as a practical matter the Internal Security Section will only lose the benefit of one rotation tour of approximately six months' duration, of one Honor Program recruit.

In addition to the elimination of one position that now provides for the employment of one Honor Program recruit, the Criminal Division proposes to cease conducting audits of Foreign Agents Registration Act (FARA) registrants and thereby eliminate one position assigned to this function. The 1987 base provides five positions--three paralegals, 1 inspector and 1 auditor--to review filings submitted in compliance with Foreign Agents Registration Act (FARA). There are at present approximately 850 active registrants under contract to foreign principals. Each registrant is required to submit semiannual reports concerning activities on behalf of the foreign entity he/she represents. The Division reviews the reports for completeness and internal consistency and solicits additional information from the registrants to determine if their activities are consistent with the applicable statutes. In addition, the Division conducts about 20 on-site inspections each year to compare the records maintained by the registrants with the reports submitted to the Division. By eliminating these inspections, the Division could dispense with the auditor position assigned to this unit and save approximately $43,000.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
General litigation and legal advice.....	52	50	$3,250	52	50	$3,405	52	50	$3,405	...	...	...

Long-Range Goal: To achieve directly, or through assistance to the U.S. Attorneys, the prompt disposition of all matters within the five major law enforcement responsibilities of the program, and to improve the efficiency and effectiveness of Federal, State and local criminal law enforcement efforts through the encouragement of improved intergovernmental coordination and cooperation.

Major Objectives:

To develop and implement enforcement programs in certain key statutory areas where special requirements indicate the need for centralization.

To develop and prosecute major cases under a vast range of statutes, when appropriate, due to recusal, lack of resources or pertinent expertise in U.S. Attorneys' offices.

To defend civil suits seeking to obtain information on or to interfere with criminal justice activities and national security operations.

To provide support to the U.S. Attorneys in the conduct of all other litigation within the program's subject areas.

To coordinate and participate in crime resistance programs related to the program's statutory responsibilities, including the encouragement of voluntary involvement by corporations and individuals in the private sector in crime resistance efforts.

To provide legal and policy advice to the Assistant Attorney General, Associate Attorney General, Deputy Attorney General, and Attorney General, as well as other components of the Department, on issues of major importance to the Department.

Base Program Description: The five major substantive areas addressed by the General Litigation and Legal Advice Section include: (1) crimes against government operations - attacks on designated Federal officials, including the President, Vice-President, Members of Congress, cabinet officers, Supreme Court Justices, candidates for Federal office, foreign officials and official guests of the United States, depredations of mail and government property, counterfeiting, customs violations, obstruction of justice, perjury, escape and prison offenses, and Selective Service violations; (2) crimes against the public - aircraft and maritime piracy, kidnapping, extortion, bombing, bank robbery, theft from interstate shipment and interstate trafficking in stolen vehicles, securities and other property, illegal electronic surveillance, obscenity, copyright and firearms violations, crimes involving the recently enacted false identification and tampering with consumer products statutes, and crimes in the special jurisdiction of the United States; (3) regulatory enforcement - protection of safety, health and consumer interests in mining and other occupations, handling nuclear materials, marketing of agricultural products, and disposition of hazardous and toxic wastes; (4) special civil matters - defense of civil actions to obtain information on or to interfere with criminal justice and national security operations; and, (5) prison/parole matters - defense of suits challenging the legality of Federal sentences, probation and parole actions, conditions of confinement, prisoner transfer within, and from foreign custody to, the United States, and treatment of mentally incompetent prisoners. Approximately 75 percent of all Federal criminal statutes are assigned to the program, including many violent crimes and most Federal "street" crimes. In priority or sensitive criminal areas, the program serves as an enforcement entity, prosecuting and assisting in the prosecution of cases, and coordinating the various U.S. Attorneys' offices and investigative agencies. When a matter is likely to merit prosecution by Section attorneys, the agencies immediately advise the Section of the initiation of an investigation, thus affording the opportunity for Section attorneys to provide guidance on crucial aspects of the investigation. In a more general way, the Section supports litigation by drafting or commenting on proposed legislation. Legislation can overcome the long-run effects of an adverse decision and usually has an effect on both the scope and nature of future litigation. To conserve Federal litigation resources, Section attorneys also interact with the private sector, e.g., industry and labor, and Federal and non-Federal enforcement agencies, regarding adoption of crime resistance measures.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the General Litigation and Legal Advice Section is directly responsible are summarized quantitatively in the following table:

Item	1984	1985	Estimates 1986	1987
Matters:				
Pending, beginning of year	7	9	12	12
Opened	12	6	10	10
Closed	10	3	10	10
Pending, end of year	21	29	12	12
Cases (lead prosecutions):				
Pending, beginning of year	10	13	15	15
Opened	20	4	10	10
Closed	17	2	10	10
Pending, end of year	13	15	15	15
Disposition of defendants in cases litigated:				
Convictions	25	8	15	15
Acquittals/dismissals	2	...	...	...
Other dispositions	1	...	...	...

The major accomplishments of the General Litigation and Legal Advice Section in 1985 are summarized below:

Throughout the year, the Section provided leadership in prosecutorial initiatives aimed at Puerto Rican terrorists, at importers dumping goods on U.S. markets, and at pornographers who use the mail to distribute unsolicited, sexually oriented material.

Section attorneys helped staff a Special Prosecution Task Force in Puerto Rico to investigate terrorists activities engaged in by members of known Puerto Rico independence terrorist groups operating on the island. Another investigation into serious criminal activity by organized groups, comprised in part of Puerto Rican police officers, resulted in the return of seven indictments, against 26 defendants, of who six were active or former police officers. The most significant case involved the June 1985 conviction of five defendants for violations of the civil rights statutes resulting from the May 1980 murder of Griselle Gonzalez-Ortiz who was to be the Puerto Rican government's key witness in a murder prosecution. Two of the defendants were Puerto Rican police officers and another was an attorney who represented the defendant in a case in which the victim was to testify. Section attorneys also prepared the briefs that resulted in the Fifth Circuit's affirmation of the income tax conviction of Eugene Tafoya, holding that the government proved that Tafoya "received payments from Edwin P. Wilson for assassinations Tafoya attempted while in the employ of Wilson.

Section attorneys were involved in several cases at the request of the U.S. Customs Service involving the dumping of foreign produced goods in the U.S. market are prices below that at which they could optimally be produced. Daewood Industrial Company (a major Korean trading company) and Daewood International (American) Corporation (its U.S. subsidiary), pled guilty to various criminal charges arising from the importation of South

Korean steel into the United States. Mr. Lee pled to a separate conspiracy charge and was sentenced to the maximum fine of $10,000. The corporations were sentenced to the maximum fine on all counts, for a total of $205,000. C. Itoh, Inc., a giant Japanese trading company, pled guilty in the southern district of Texas to a nine count information charging violations of the false statement statute. The charges resulted from the filing of false invoices with the Customs Service, overstating the actual sale prices of the steel, to conceal the fact that the real prices were below the trigger price. Several other grand jury investigations were proceeding at the end of the year. The cases are being prosecuted with the intent of discouraging foreign exporters from circumventing import price instructions and thereby damaging domestic industries and increasing unemployment.

The Section continued to press forward on its initiatives in the obscenity area. Since the amendment of the child pornography statutes on May 21, 1984, nearly twice as many defendants were indicted as during the prior six and one-half years and approximately one and one-half times as many defendants were convicted as during the prior period. During 1985, 104 defendants were indicted and 91 were convicted for child pornography. The Section serves as the Criminal Division's representative on the Interagency Group to Combat Child Pornography, which has met with representatives of governments of the principal exporting countries. The Section held a seminar for Assistant United States Attorneys on the "nuts and bolts" of developing and trying of child pornography and obscenity cases.

Section attorneys develop and prosecute major cases under a vast range of statutes, when appropriate, due to recusal, lack of resources or pertinent expertise in U.S. Attorney's Offices. In a case jointly handled by the Southern District of Iowa and the General Litigation and Legal Advice Section, Louis Kenneth Risken was convicted of obstruction of justice based on a plot to kill a union president and false statements to an acquaintance that the plot had been a sham. Section attorneys successfully prosecuted Elizabeth Mary Cornelius in the Southern District of Mississippi on charges resulting from Cornelius' activities as a registered nurse assigned to the intensive care unit of the Kessler Air Force Base Medical Center in intentionally interrupting the oxygen supply to seriously and terminally ill patients causing oxygen starvation. In a case jointly handled by the United States Attorneys' Office for the District of Hawaii and the General Litigation and Legal Advice Section, Buck D. Walker was convicted of first degree murder. The charge resulted from the murder approximately ten years ago of a yachting couple who sailed from San Francisco to Hawaii and continued on to Palmyra Island, A United States possession in the Pacific Ocean.

Section attorneys defend civil suits seeking to obtain information on or to interfere with criminal justice activities and national security operations. For example, Section attorneys represented the government in the Western District of Washington concerning Gordon Hirabyashi's motion to vacate and dismiss convictions for violations of military curfew and exclusion orders propounded in 1942 pursuant to 56 Stat. 173. At the end of the year the court had the matter under review. Section attorneys also successfully defended an action for injunctive relief and monetary damages against nine individual Parole Commissioners based on alleged denials of due process in parole recision hearings.

The Section was involved in 745 litigation support activities, including major involvement in structuring the Selective Service nonregistrant enforcement program, obtaining the Title III wiretap authorizations in the investigation of the robbery of the bank of Boston (an indictment was returned charging 17 co-defendants), participating in crime resistance programs and providing legal and policy advice to components of the federal community relating to the more than 50 percent of federal criminal statutes enacted over the past few years, including over half of the Comprehensive Crime Control Act of 1984 which are assigned to the Section.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Office of special investigations	47	47	$3,127	47	47	$3,267	47	47	$3,267	...	...	...

Long Range-Goal: To denaturalize and deport individuals who concealed activity committed during World War II involving the persecution of others because of race, religion, national origin, or political opinion, in order to gain entrance to the United States.

Major Objectives:

To identify all alleged Nazi war criminals living in the United States.

To review and investigate systematically all relevant allegations received by the program.

To prosecute appropriate cases.

To develop and maintain working relationships with foreign governments having information relating to the activities of suspected Nazi war criminals.

Base Program Description: This program detects, identifies, investigates, and, where appropriate, takes legal action to denaturalize and/or deport any individual who: (1) assisted the Nazis by persecuting any person because of race, religion, national origin or political opinion, and (2) later was admitted as an alien into, or became a naturalized citizen of, the United States. The activities of this program include historical research, file review, investigations, witness interviews in the U.S. and abroad, litigation support, and denaturalization/deportation litigation before administrative bodies and U.S. courts. There are four major phases of work: (1) identification, consisting of matching a name of a United States resident to an allegation or suspicion of war crimes, and opening an Office of Special Investigation (OSI) file on that person; (2) investigation of suspects; (3) filing litigation; and, (4) appeals of judgments or other final orders. Four types of litigation action may be conducted: (1) if the subject is a naturalized citizen, a civil complaint may be filed in the U.S. District Court seeking a judgment of denaturalization; (2) for resident aliens (including denaturalized citizens), administrative proceedings are brought to seek their deportation; (3) criminal indictments may be pursued in cases which involve perjury (18 U.S.C. 1001) or other crimes within the statute of limitations; and (4) extradition. The litigation phase begins when the Compliant/Order to Show Cause/Indictment is filed; it ends with the judgment or the final order, and that is the basis for appeal.

Accomplishments and Workload: The recent experience and projections for the future of the Office of Special Investigations is summarized quantitatively in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Matters:				
Pending, beginning of year	278	308	321	291
Opened	91	72	50	50
Closed	61	59	80	80
Pending, end of year	308	321	291	261
Cases:				
Pending, beginning of year	29	31	27	29
Opened	7	4	6	6
Closed	5	8	8	10
Pending, end of year	31	27	29	33

Some of the specific accomplishments of the Office of Special Investigations during 1985 include the following:

With respect to identification of war criminals, the Office of Special Investigations (OSI) began actively to gather 9,400 names of potential war criminals discovered by archival research and to compare them to immigration files to determine if they had entered the United States. The Immigration and Naturalization Service (INS) found over 3,500 possible matches and OSI has opened 65 cases to date.

In addition, OSI submitted to Immigration and Naturalization Service 9,900 names of individuals who were rejected under Section 13 of the Displaced Persons Act for a determination as to whether any of these individuals subsequently entered the United States. OSI is currently screening these 700 individuals to identify those against whom legal action should be initiated.

Thirty-nine investigations were closed in FY 1985 because: 1) allegations could not be substantiated and/or corroborated, 2) the suspect died; or 3) on five occasions, the subject agreed to depart the United States to avoid prosecution. Of special significance this year was the first deportation of an individual to the Soviet Union.

Four new cases were filed in 1985, two denaturalizations and two deportations. Ten cases are currently on appeal including seven appeals that were brought by the defendants after Government victories. Two denaturalization cases were successfully closed, as were two deportation cases. In both of the latter cases, the respondents fled the country. Eight war criminals have departed the United States to date, and one was awaiting effectuation of his Order of Deportment at the conclusion of 1985.

The Director and his representatives have met personally this year with diplomatic and judicial officials of the Federal Republic of Germany, the USSR, Poland, Yogoslavia, Israel, Brazil, Italy and France. Representatives of the Canadian Deschenes Commission have traveled to Washington twice this year to meet with the staff of OSI and exchange valuable information useful to both parties in the search and prosecution of war criminals.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Prosecution Support	120	115	$5,912	120	115	$6,270	125	115	$6,317	5	...	$47

Long-Range Goal: To provide the legal assistance and central coordination necessary to maximize the effectiveness of Federal criminal law enforcement.

Major Objectives:

To promote the negotiation of treaties with foreign governments that will improve the ability of the United States to extradite fugitives, to acquire evidence, to transfer prisoners, and to accomplish other purposes which will aid the criminal justice system in the United States.

To assist Federal and state authorities in obtaining fugitives, evidence and legal assistance from foreign governments.

To represent, or supervise the legal representation of, foreign governments' extradition and evidence requests in U.S. courts.

To monitor the execution of Prisoner Transfer treaties so as to minimize any delay in transferring prisoners eligible for transfer to their countries of nationality.

To provide effective and reliable service to Federal prosecuting attorneys in the implementation of the statutes and regulations that affect them.

To maintain a usable and used legal brief and policy memoranda bank and to integrate into the legal brief bank the briefs in opposition to petitions for writs of certiorari and the Solicitor General appeal memoranda that are generated by the Division annually.

To maintain an up-to-date U.S. Attorneys' Manual and have Criminal Division updates prepared on a regular basis so that all portions of the Division's contribution to the Manual will remain current and informative.

To coordinate responses to (Freedom of Information Act and Privacy Act) requests pertaining to the Criminal Division.

To review requests for authorization of electronic surveillance and recommend authorization or disapproval of requests pursuant to 18 U.S.C. 2518 in an expeditious manner.

To perform the appropriate review of witness relocation requests and deal with the myriad matters associated with the Witness Security Program.-

To litigate and assist U.S. Attorneys' Offices in litigating forfeiture cases where:
(a) major cases arise in districts in which the U.S. Attorney's Office lacks the expertise or personnel to conduct the cases effectively.
(b) backlogs of forfeiture cases arise because of other demands on U.S. Attorneys' Offices.

To advise and train investigative agents and Assistant U.S. Attorneys to make greater use of forfeiture provisions and better manage seized and forfeited assets.

To process and resolve petitions for remission and mitigation in judicial forfeiture cases.

To support directly the U.S. Marshals Service and investigative agencies in improving the management of seized and forfeited property.

To review all settlements in forfeiture cases in which the difference between the gross amount of the original forfeiture claim exceeds $60,000 but is less than $750,000.

To encourage coordination with state and local authorities on forfeiture matters.

To provide legal advice and assistance to United States Attorney Offices regarding the collection of criminal fines and appearance bond forfeiture judgments.

To establish, coordinate, and maintain an "accounts receivable" system for criminal fines and appearance bond forfeiture judgments obtained by the Criminal Division.

Base Program Description: This program seeks, through the Division's Office of International Affairs (OIA), to centralize, coordinate and execute the Department's responsibilities concerning international legal matters related to criminal law enforcement in the areas of extradition, international legal assistance and prisoner transfers. The handling of treaty negotiations and implementation, international legal assistance and prisoner transfer requires effective liaison between OIA and numerous foreign and domestic entities, including the Department of State, foreign governments and INTERPOL. To assure that extradition requests submitted by the United States meet the requirements of the relevant extradition treaties, OIA advises federal and state prosecutors on the preparation of all United States extradition requests, and screens such requests before submission. To promote the reciprocal representation by foreign governments of United States extradition requests, OIA either directly represents, or supervises the representation of, foreign extradition requests before United States courts. Included among cases handled by OIA are some of the most important narcotics trafficking, fraud, and violent crime cases prosecuted in this country and abroad. Similarly, to assure that requests submitted by the United States seeking evidence from foreign countries under mutual assistance treaties in criminal matters meet the requirements of the applicable treaty, OIA, acting as the United States Central Authority under the treaties, advises federal and state prosecutors on the preparation of all such requests, and screens or redrafts them prior to transmittal. When, because of the lack of a mutual assistance treaty, such requests must be made by letters rogatory, OIA performs essentially the same role in processing them as well. To promote the reciprocal representation by foreign governments of United States evidence assistance requests, OIA either directly represents, or supervises the representation of, foreign evidence assistance requests before United States courts. As with extradition, such evidence requests are generally related to some of the most important investigations and prosecutions in this country, e.g., investigations of the international laundering of vast profits of major narcotics trafficking organizations. OIA has also been instrumental in obtaining the execution of search

warrants in foreign countries in connection with the unlawful export of advanced technology goods, such as computers which could be used in weapons guidance systems. This program also is responsible for the implementation of the prisoner transfer treaties to which the United States is party. During 1985 and 1986, new prisoner transfer treaties are expected to enter into force with approximately seventeen countries, thereby quadrupling the number of such treaties in force and greatly increasing the problems attendant to their smooth implementation.

Through the Office of Enforcement Operations (OEO), the Criminal Division regulates the effective and appropriate use of sensitive investigative techniques such as wiretaps, consensual monitoring and witness relocations through the application of uniform procedural guidelines by specially trained attorneys and paralegals. These individuals maintain effective liaison with the U.S. Attorneys offices, Organized Crime Strike Forces, U.S. Marshals Service, the Federal Prison System, the Federal Bureau of Investigation, and all other applicable Federal, state and local investigative agencies. The Office of Enforcement Operations possesses full responsibility to review and approve or disapprove requests from U.S. Attorneys, investigative agencies, and Congressional committees to place individuals believed to be endangered by organized crime figures in the Witness Security Program. It is responsible for coordination among government prosecutors, investigative agencies, and U.S. Marshals Service personnel, the conduct of cases requiring witness protection, and participation in litigation arising out of the program, in cases where the United States is named as a party by virtue of any action taken or not taken with respect to the program. (Title V of Public Law 91-452, codified as a headnote preceding Title 18, United States Code, Section 3481).

The Office of Enforcement Operations is responsible for the review, adjudication, and coordination of all applications for electronic surveillance under Title III of P.L. 90-351, codified in Title 18, United States Code, Section 2510-2520, and is solely responsible for the final recommendation to be made directly to the Assistant Attorney General. It participates in and, as required, conducts litigation arising from the grant of an application for electronic surveillance, and is responsible for performing ongoing analysis, review, and in-depth evaluations of the implementation of 18 U.S.C. 2516. The Office also receives and processes all requests received from U.S. Attorney Offices and Organized Crime Strike Forces for witness immunity pursuant to 18 U.S.C. 6001 et seq.; OEO makes the final recommendation to the Assistant Attorney General for approval or rejection of such requests. In addition, OEO provides the various components of the Division and the U.S. Attorneys' offices with a wide range of litigative assistance and prosecutorial support, including the following: processing requests for witness hypnosis in the federal judicial system; processing requests for consensual surveillance in selected cases in sensitive areas; processing requests for disclosure of tax returns, taxpayer information and return information pursuant to the Tax Disclosure Act of 1976, as amended; processing Freedom of Information Act and Privacy Act requests; responding to allegations of illegal electronic surveillance; processing requests for authorization to subpoena a member of the news media; processing requests for authorization to seek closure of any part of a criminal proceeding; coordinating responses to subpoenas and court orders directed to the Department; processing requests for permission to seek issuance of a search warrant for documentary material in the possession of a disinterested third party; updating the Criminal Division's portion of the United States Attorneys' Manual; maintaining the legislative files and records of the Division; maintaining the Legal Reference Unit, a legal brief and policy memorandum bank for use by Division attorneys and paralegals; responding to citizen mail on criminal matters by the Correspondence Unit; and preparing the Division's monthly and annual reports to the Attorney General. The provision to these services is accomplished through close liaison between OEO and litigating components of the Criminal Division, and the United States Attorneys' offices.

The final aspect of this program is provided by the Asset Forfeiture Office created in June 1983 through a reorganization of the Criminal Division. The responsibilities of this Office include the conduct of civil and criminal asset forfeiture litigation, the development of policies which incorporate asset forfeiture into an overall law enforcement program and the improvement of existing practices regarding the management of seized and forfeited assets. Forfeitures are an important part of law enforcement, because forfeitures allow the government to take property away from

750

criminals which, in turn, deters crime and promotes justice. Forfeitures deter crime because the government can take away the property that lawbreakers use to commit crimes, e.g., the airplanes and boats they use to smuggle narcotics into the country and the cash they use to buy drugs for resale. By removing this working capital from criminals, forfeitures make it more difficult for lawbreakers to operate. By seizing the fruits of crime, e.g., the stocks and bonds purchased with money traceable to drug sales, or a business acquired by a pattern of racketeering activity, forfeitures further deter lawbreaking by taking the profit out of crime. Forfeiting criminal profits also promotes justice, because criminals should not grow rich from their violations. Fines are also an important part of the penalty structure of federal criminal law. The imposition of a fine, however, serves no punitive or deterrent purpose if it goes unpaid. The Collection Unit within the Asset Forfeiture Office, therefore, assists the various components of the Division and the U.S. Attorneys' Offices by overseeing and assisting in the collection of criminal fines, criminal penalties, appearance bond forfeiture judgments, and criminal court costs.

Accomplishments and Workload: A quantitative summary of the prosecution support workload is presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Office of International Affairs				
Extradition				
Foreign requests to the U.S.	153	179	190	205
U.S. Federal requests	162	227	190	200
U.S. State Requests	62	83	80	90
Total fugitives requested	377	489	460	495
International Assistance in Criminal Matters				
United States requests	109	227	250	250
Foreign requests	49	119	120	120
Mutual assistance treaties in force	3	3	5	8
Prisoner Transfers				
Prisoners transferred to U.S.	49	70	100	250
Prisoners transferred to foreign countries	52	65	75	100
Prisoner transfer treaties in force	6	6	10	14

	1984	1985	Estimates 1986	1987
Office of Enforcement Operations				
Witness immunities processed	4,784	5,215	5,684	6,196
Electronic surveillance checks with investigative agencies	85	90	95	100
Tax disclosure requests processed	61	65	65	65
Correspondence letters processed	37,500 1/	16,000	16,500	17,000
28 C.F.R. 16.21 subpoenas processed	850	875	900	950
FOI/PA requests received	1,466	1,525	1,600	1,650
Memoranda processed for brief bank inclusion	2,412	2,450	2,500	2,500
Requests to subpoena, interrogate or arrest members of the news media processed	18	20	20	20
Requests for permission to close all or part of a judicial proceeding processed	15	15	15	15
New Witness Security Program				
Matters Concerning Witnesses from Prior Years	33	52	60	60
Prisoner-Witness Matters	339	340	350	350
Title III Requests	503	555	550	600
Requests for Use of Hypnosis	45	40	45	45
Requests for Use of FBI Equipment	...	3	3	3
Requests	344	360	360	360

1/ This total includes 15,000 anti-pornography post cards. Hopefully this campaign was a one-time event which is not expected to be repeated.

	1984	1985	Estimates 1986	1987
Statistical Reports (Title III/Consensuals)	69	69	69	69
Statistical Reports (Witness Security Program)	71	100	100	100
Witnesses Accepted into Program	294	300	300	300
Emergency WSP Requests Authorized	10	10	10	10
Wiretaps Approved	462	550	600	600
Asset Forfeiture Office				
Major Cases in which the Office Has Substantial Involvement:				
Pending, beginning of year	2	7	60	60
Opened	10	85	50	50
Closed	5	32	50	50
Pending, end of year	7	60	60	60
Major Ongoing Startup and Support Projects				
(a) Forfeiture	10	10	10	10
(b) Collection	...	8	8	8
Responses to Inquiries from the Field				
(a) Forfeiture	578	1,950	2,500	2,500
(b) Collections	...	1,500	1,500	1,500
Remission and Mitigation Petitions Reviewed	262	350	400	400
Offers in Compromise Reviewed	25	36	40	40

RR

During 1985, the Office of International Affairs accomplished a great deal. A Mutual Assistance Treaty was implemented with Canada during 1985. Final negotiations were held for Mutual Assistance Treaties with the Bahamas, Jamaica, Thailand, Panama and the Federal Republic of Germany. The Thailand Treaty is particularly significant because when it is completed, it will mark the first such treaty with the Southeast Asian country and because it is expected to provide an important tool for tracing laundered drug money. In addition to the Mutual Assistance Treaties, extradition treaties between Ireland and the United Kingdom were signed. As a result of the Irish treaty, four American fugitives have been arrested for extradition to this country. The United Kingdom supplemental treaty removed certain heinous crimes from the purview of the political offense exception. Another important event organized by the Office of International Affairs in 1985 was an Extradition Conference that was held in Rome in June of 1985. The representatives of the United States at the conference included senior Criminal Division officials, two federal judges, senior attorneys within OIA, and Assistant U.S. Attorneys. The Italian government was represented by prosecutors and investigating judges. The goal of the conference was to resolve disputes over the application of the Extradition Treaty. One outcome of the conference was the agreement to station a senior attorney, on a trial basis, in Rome to assist in the large number of complex Extradition and Mutual Assistance matters. Since then, there has been a higher degree of cooperation between the United States and Italy. In addition the OIA attorney stationed in Italy has also been called upon to give assistance in surrounding countries.

With respect to the coordination and litigation of international transactions, four hundred and eighty-nine (489) Extradition and 346 Mutual Assistance requests were received during FY 1985. Three hundred and forty-one (341) extradition cases were closed. The most notable of the closed cases include the following: On September 20, 1985, former auto maker John Z. DeLorean was indicted in a 15-count indictment charging racketeering, mail fraud, and tax evasion. The indictment alleges that DeLorean diverted millions, through complicated bank transactions with Dutch, Swiss, and the United States banks, to his personal use. Numerous treaty requests to both the Netherlands and Switzerland produced records that were instrumental in gaining the indictment. The Dutch have already authorized use of these records to prove tax evasion charges; the Swiss have tentatively approved the same use, i.e., the Federal Tax Administration has given its favorable advisory opinion to the canton from which the records were secured, and the canton must now decide whether the United States charges involve "tax fraud" as defined by cantonal law. In United States v. Badalamenti, a major narcotics/money laundering case, the Office of International Affairs has arranged for extensive continuing cooperation between the United States and Swiss authorities, including lengthy consultations, formal depositions of witnesses in Switzerland, and exchanges of documents. The cooperation that has characterized this case has been truly mutual because the Swiss are prosecuting related cases in which the United States has given them assistance. In fact, the Swiss convicted three Swiss money launderers near the end of the year and further prosecutions are expected to follow.

In the Northern District of Ohio the U.S. District Court found the accused Nazi war criminal extraditable to Israel, and it also dismissed his petition for a writ of habeas corpus. The Sixth Circuit reserved judgement on Demjanjuk's appeal after hearing oral argument during the summer of 1985. If the finding of extrudability against Demjanjuk is upheld, he will be the first war criminal ever extradited to Israel -- a country that did not exist during the Second World War. The extradition order is based on a statute enacted after Israel's independence, in which Israel claims jurisdiction for crimes committed in Poland and upon people not its citizens. Finally, the United States District Court of the Central District of California found the former police chief of Mexico City extraditable to Mexico, and at the end of this year a habeas corpus decision was pending. The subject of this extradition effort is accused of fraud and corruption from which he obtained illegal profits that have been estimated at more than one billion dollars.

During 1985, the Office of Enforcement Operations continued to sustain a high level of performance: Some 555 original and extension electronic surveillance authorizations were processed to approval, the highest number since the enactment of the wiretap statute and nearly one hundred requests over the number approved in 1984. Ninety-five (95) percent of these were in narcotics and organized crime cases. In addition, the Office completed action on 1,690 Freedom of Information Act and Privacy Act requests, revised Chapter 9 of the United States Attorneys' Manual so that it reflected all of the changes in the numerous practice and procedure resulting from passage of the Comprehensive Crime Control Act of 1984, and the Office assumed full responsibility for producing the Crime Control Act of 1984 Bulletin, publishing eight issues before the conclusion of the year.

The Attorney General has delegated his authority to decide petitions for remission or mitigation of judicial forfeitures to the Asset Forfeiture Office; and during 1985, the Asset Forfeiture Office handled some 350 petitions for remission and mitigation involving large sums of cash, various kinds of personal property and realty. The Office continues to educate federal prosecutors and agents of various federal and state agencies by providing speakers and lecturers at forfeiture and law enforcement conferences and training seminars, and by responding to numerous daily telephone inquiries regarding forfeiture from the U.S. Marshals Service, the seizing agencies, attorneys in the field and others. Among the cases in which the Office involved itself in 1985 was a complaint filed against approximately $4 million which we have probable cause to believe was paid by the Quintero cartel to Moises Calvo, a retired Mexican police officer, as protection money. As part of the Quintero investigation, a number of related "cartels" have been discovered. The Office is leading the civil forfeiture prosecution of property belonging to Larry Renick and various members of his organization of the Western District of Texas. Renick is charged with operating a continuing criminal enterprise. That was uncovered when DEA executed a search warrant, that revealed a "speed" lab on his property neat Austin, Texas. Novel or complicated civil forfeiture cases arising our of Operation Greenback in Puerto Rico are being handled by AFO for the District of Puerto Rico. Advice and assistance was given in the Herrera investigation in the Northern District of Illinois where civil forfeiture was sought against 47 pieces of realty allegedly used to facilitate narcotics trafficking. Assistance was furnished to U.S. Attorneys in the appellate area through the preparation of a number of briefs including United States v. Andres F. Rodriguez, where a number significant issues were presented including whether the cash proceeds of racketeering must be traced to specific assets owned by the defendant at the time of the forfeiture verdict, whether a district court has authority to order post-forfeiture financial disclosures from a convicted defendant, and, if so, whether such an order would violate a defendant's Fifth Amendment rights; and, whether a group of corporations may comprise the enterprise under the RICO statute. In United States v. $195,180.16, the Office argued for the affirmance of a stay granted to the government during the pendency of a closely related grand jury investigation of a major continuing criminal enterprise.

As a result of the enactment of the Comprehensive Crime Control Act of 1984, the AFO developed new policies and established guidelines. Of particular note are the guidelines recently established for the sharing of forfeited property with state and local law enforcement agencies that participated directly in the seizure or forfeiture. As part of these procedures, the AFO has been delegated the clearing house responsibility for judicial sharing requests. In another development resulting from new litigation, the Asset Forfeiture Fund was activated in August. Since then the AFO has received requests for a share in property worth approximately $15 million. The Office has handled the disposition of requests totalling $2,685,019.

The accelerate the collection of debts and improve criminal fine collections, AFO has been involved in assisting United States Attorneys' Offices with their complex criminal fine collection cases. In United States v. Potomac News, AFO assisted in a criminal contempt prosecution of an attorney charged with a scheme to defraud the court and the government out of collecting a $30,000 fine. In United States v. Eladio Pagan, AFO assisted in the United States Attorney's Office for the District of Connecticut with discovery directed toward collection of a $100,000 fine.

AFO maintains a system of internal controls for the legal processing of debts generated by the Criminal Division. Since the enactment of the Criminal Fine Enforcement Act of 1984, the Criminal Collection Unit has been providing legal analysis and determining departmental policy relating to the new legislation. The United States Attorneys' Manual is being amended to reflect changes in the law.

Program Changes: As discussed previously, the Criminal Division is proposing to terminate its participation in the Attorney General's Honor Program in 1987. The Honor Program selects the best qualified graduating law student applicants and judicial law clerk applicants for employment in entry level attorney positions in the Department of Justice. The Criminal Division has annually set aside six positions for Honor Program recruits who rotate among its component organizations during the first year of employment. The Division, however, has experienced no difficulty in recruiting attorneys who have substantial practical experience; and it generally has found experienced attorneys more productive and more suitable to the requirements of the Division. For 1987, the Division, therefore, is proposing to terminate its participation in the Honor Program. The technical effect of this proposal on the resources available for Prosecution Support will be a decrease of one position and $42,000, although as a practical matter the Office of Enforcement Operations will only lose the benefit of one rotation tour of approximately six months' duration of one Honor Program recruit.

Decreases are also proposed for two specific OEO activities, FOI/PA requests and the witness security program. The 1987 base provides 21 positions--to refer requests for information submitted under the Freedom of Information and Privacy Acts to the appropriate component organizations in response to the requests, and to screen the information prior to its release so as to insure that the Division complies with all requirements of the applicable law. In addition these positions are responsible for the preparation of pleadings in lawsuits in which FOI/PA requests involving the Criminal Division are at issue. By reducing the extent of the supervisory review now applied to each response the Division could eliminate one attorney position and save approximately $68,000. The 1987 base provides eight positions--two attorneys and six paralegals--to manage the witness security program. The Division reviews all requests from federal prosecutors to place individuals in the program and it determines the appropriate level of protection to be provided to each witness. Since 1979, there have been approximately 5,000 individuals admitted to the program, of which there are currently about 375 witnesses housed in federal correctional facilities and nearly 500 others receiving regular subsistence payments. In addition to approving new entrants into the program, the Division investigates claims by witnesses already admitted to the program regarding new threats against them and their treatment in the program. By arranging for appropriate responses to the valid claims of protected witnesses the Division protects the integrity of the witness security program and in particular the commitment of the Department of Justice to safeguard witnesses who are in danger of physical violence as a result of their testimony for the government. By taking a less active role in addressing the needs of protected witnesses, the Division could eliminate one paralegal position and save approximately $36,000.

One final decrease in this decision unit results from the Division's proposal to eliminate the summer employment program. A total of three other-than-permanent workyears are assigned to the employment of students during the summer months. These employees are typically assigned projects that cannot be accomplished by regular personnel during the normal course of business. The Division, however, believes that by increasing the productivity of its full-time permanent personnel, it can avoid the necessity of hiring summer assistants. The elimination of the summer program will reduce the need for one other-than-permanent workyear and $18,000 in the Prosecution Support program.

An increase of four attorney positions and four support positions and $211,000 is proposed for the the Office of International Affairs. These positions are needed to keep pace with the growing caseload, the growing demands for providing advice and consultation to the domestic and foreign prosecutors and law enforcement officials, and to keep pace with the internal needs of the Department of Justice for information, advice, and consultation on its international law enforcement initiatives. By providing timely advice and acquiring the prompt assistance of foreign governments this Office can greatly aid effective criminal prosecutions in the United States. Further, by assisting foreign governments with timely advice and assistance, the Criminal Division can build up reserves of goodwill that may be reciprecated when the United States finds itself in need of the assistance of that foreign government.

The Attorney General and other leaders of the Department of Justice have recently expressed a growing interest in fostering better law enforcement cooperation on an international basis. The Attorney General has personally monitored and then signed new extradition and mutual legal assistance treaties with Italy and Morrocco. The Department has established a Columbian Working Group, comprised of officials at the highest levels of the United States government, designed to monitor and coordinate efforts to secure increased law enforcement cooperation with Colombia. The Department also established a Joint Italian-American Working Group, comprised of the top levels of the law enforcement agencies of both the United States and the Italian government. One result of this Working Group with the Italians has been that this Office is stationing an attorney at our Embassy in Rome to facilitate communications between Rome and Washington on law enforcement matters and to assist and provide advice to Italian magistrates and prosecutors seeking extradition or evidence from the United States. Working Groups are also in the planning stages for Mexico and the Bahamas.

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized Crime drug enforcement.....	6	6	$598	6	6	$616	6	6	$616	...	...	...

Long-Range Goal: To support the Drug Task Forces in investigating and prosecuting violations of Federal criminal laws that prohibit the importation, distribution, sale and use of harmful drugs.

Major Objectives:

To furnish assistance requested by Drug Task Force prosecutors to the full extent possible within the terms of applicable statutes, Departmental policies and procedures, caselaw, international conventions and bilateral treaties.

To provide regular communications and instruction to Drug Task Force prosecutors so as to improve their efficiency and their effectiveness.

To participate in the litigation of certain Drug Task Force cases for which Division personnel have developed special expertise.

Base Program Description: The Administration's law enforcement initiative against organized drug traffickers has increased the demands on the Criminal Division to provide certain types of prosecutorial assistance and to participate directly in the development of particular cases. For example, many Drug Task Force investigations depend upon electronic surveillance to obtain evidence on the activities of wrongdoers. By law (28 USC 2516), all electronic surveillance must be authorized by the Attorney General or a designated Assistant Attorney General. Before authorization, each application is reviewed by Division personnel, and a recommendation is made to the Assistant Attorney General. Then, following authorization of either a wiretap or the wireless interception of communication, reports must be collected and reviewed on the fruits of the surveillance. In addition to employing electronic surveillance techniques, many Drug Task Force prosecutions rely on witnesses whose personal safety is endangered by criminal elements. A prosecutor seeking to arrange for the protection of a witness -- e.g., by providing guards, by relocating the witness out of the danger area, by securing a new identity for the witness, etc -- must submit a request to the Division for review as to the qualification of the witness for the program and a determination as to the level of protection to be afforded to the witness.

The Division has also experienced an increase in the number of extradition requests and requests for mutual legal assistance to and from foreign countries as a result of the Drug Task Force investigations. The initiative against drug traffickers has also spurred interest in the increased use of asset forfeiture provisions of existing statutes against drug dealers. Denying criminals the means of production can sometimes be a more effective deterrent to crime than punishment by imprisonment or fine. Finally, the Division often must lend direct assistance to the development of major investigations involving peculiar legal theories or the organization of extensive evidence in a manner designed by the Division, such as in financial investigations of trafficking organizations as demonstrated by the Operation Greenback initiatives.

Accomplishments and Workload: A quantative summary of the work of the Criminal Division in support of the Drug Task Forces follows:

Item	1984	1985	Estimates 1986	1987
Electronic surveillance applications reviewed	33	58	65	65
Witness protection measures authorized	44	62	50	50
Extradition requests transmitted	54	73	75	75
Judicial assistance requests submitted	36	47	50	50

	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Management and administration	89	91	$4,665	89	91	$4,930	83	84	$4,683	-6	-7	-$247

Long-Range Goal: To guide the administration of federal criminal justice in an effective, fair and consistent manner.

Major Objectives:

To supervise the development and implementation of Department policy so as to assure an effective, fair and consistent administration of Federal criminal laws.

To establish priorities and to provide general supervision of national enforcement of Federal laws.

To develop and implement policies relating to the efficient administration of the Division.

To provide administrative services necessary to the operations of the Division.

To analyze all legislative proposals developed within the Congress and the Administration which affect either the substance or procedure of the Federal criminal justice system, and to furnish advice, as appropriate, on the probable effect of such proposals on Federal law enforcement.

To analyze policy issues relating to enforcement programs that the Criminal Division oversees in order to identify and resolve problems in the operations of those programs.

To analyze issues relating to the Division's management systems, policies, and procedures and develop needed improvements.

To assist in coordinating Division policies, enforcement programs, and the exchange of information with other components of the law enforcement system, including operating agencies and research institutions.

759

Base Program Description: The Office of the Assistant Attorney General carries out its policy making, supervisory and liaison functions through the Assistant Attorney General, four Deputy Assistant Attorneys General, a Special Counsel, four Senior Counsel and support staff. Included in the Office of the Assistant Attorney General is the Office of Law Enforcement Coordination which is assigned responsibility for staffing the Executive Working Group for Federal-State-Local Prosecutorial Relations, for reviewing Federal district law enforcement plans, for managing the Division's program to abolish concurrent jurisdiction enforcement lapses, for supporting the Division's Crime Prevention Committee, for overseeing the Division's involvement in regional Law Enforcement Coordinating Committees, and for staffing other intergovernmental law enforcement management initiatives which were previously fragmented among several Division offices.

Administrative services are provided by the Office of Administration. Six operational units work closely with other organizational entities of the Criminal Division, the Department and other Federal agencies, to ensure that the Division's administrative services are provided in an efficient, timely, and cost-effective manner: the Office of the Director; the Personnel Unit; the Fiscal Unit; the Mail, Records and File Unit; the Procurement, Space and Security Unit; and, the Management Information Systems staff. This last unit was established in 1984 to develop and install top priority automated data processing systems for caseload management information and correspondence tracking, and to provide selected ADP applications in support of investigations and litigation. The Office of Legislation draws upon expertise spanning the breadth of criminal

law, as well as familiarity with congressional organization, rules, and procedures to conduct the Division's relationship with the legislative branch. Close liaison is maintained with, among others, Members of Congress and their personal and committee staffs, the Department's Office of Legislative and Intergovernmental Affairs, the Office of the Associate Attorney General, officials of the Department and the Division, the Attorney General's Advisory Committee of U.S. Attorneys and representatives of Federal investigative agencies.

The Office of Policy and Management Analysis provides the Division with the analytical capabilities needed to perform program development, policy analysis, and management improvement functions. The Office advises the Assistant Attorney General on developing priorities for the Division, the Department, and Federal law enforcement generally. Most of the Office's projects are joint efforts with personnel from other units, such as the Division's other sections and offices, the Department's other legal divisions, the United States Attorneys, the investigative agencies, and the Inspectors General. The Office's professional staff includes analysts with expertise in public policy, business administration, criminology, economics, organizational behavior, program evaluation, information systems, statistical methods, and related areas. Each staff member is assigned to work primarily in one of the following areas: organized crime, fraud and corruption, narcotics, law enforcement coordination, or general management improvement.

Accomplishments and Workload: The Office of the Assistant Attorney General continues to provide the Federal criminal justice system with national leadership, centralized coordination and effective direction. The role of the Assistant Attorney General manifests itself mainly in communications imparted to other governmental entities and, by extension, to the public. The legislative proposals transmitted to the Congress represent the best judgment of the Criminal Division as to the changes which are needed to improve the criminal justice system. The arguments formulated for presentation to the Supreme Court and courts of appeal reflect the considered experience of the Division as to the constitutional and statutory interpretations which will best support the enforcement of Federal laws in the long run. And finally, communications delivered to other law enforcement executives, Federal and non-Federal, in speeches, meetings, and correspondence serve to focus attention on the most pressing problems facing the criminal justice system and the means available to law enforcement executives to address those problems.

760

Within the last year, the Office of Administration has initiated several management improvements that will facilitate the organizational functions of the Criminal Division: 1) a program to microfilm closed casefile indices (in excess of one million) Nazi war material case files and other work was completed; 2) during 1985 the Office acquired thirty-four microcomputers for use in Division offices to satisfy immediate database needs prior to full development and implementation of the caseload tracking system on the microcomputer. These microcomputers are being used as data input/retrieval terminals and enable litigation managers to access the JURIS automated legal research database, to operate spreadsheet and small database management programs using commercial software, and to permit electronic mail among managers; 3) implemented a new travel system based charge cards and travelers checks to more safely and efficiently account for travel funds; 4) the installation of a microcomputer to process caseload management data to provide management with current information on the status of investigations and cases, employee workloads, and other inquiries; 5) completed a major office automation project to determine the Division's needs for an interactive computing system that would allow multi-purpose terminals at individual work stations as opposed to the current system which was six different types of work stations; and 6) developed a system for the microcomputer to assist in criminal investigations by tracking banking transactions; 7) completed a major computer system to record and track Division correspondence and report on a regular and timely basis the status of said correspondence; and 8) developed two separate computer systems to assist the Office of International Affairs in recording and monitoring extraditions and mutual assistance requests.

With the signing of the Comprehensive Crime Control Act of 1984, the most significant piece of criminal justice legislation ever enacted at one time, the Office of Legislation coordinated the preparation of instructions concerning the new Act for dissemination to field offices. Included in this material were immediate instructions on the application of such key features as bail reform, and a lengthy handbook containing a detailed legal and policy analysis of each of the Act's provisions. In addition, the Office prepared an extensive bill containing technical amendments rendered necessary by the passage of the Comprehensive Crime Control Act. The bill was sponsored by the Chairman of the Judiciary Committee in each house, and is presently pending in the Congress.

Other legislation that received considerable attention in 1985 included a comprehensive bill dealing with money laundering. This bill would create a new offense of laundering the fruits of crime, would remove certain restrictions in the banking laws that now make the tracing of "dirty" money unnecessarily difficult, and other needed provisions. The Office also prepared a bill amending the Controlled Substances Act to combat the problem of "designer drugs." These are drugs which are substantially similar to the most dangerous controlled substances, but which are not illegal because they have not been specifically listed in the schedule of substances promulgated under the Act.

A bill to provide for the payment to the clerk of the court of fines or penalties imposed by a United States magistrate was also submitted in 1985. Congress, through the Criminal Fine Enforcement Act of 1984, generally shifted responsibility for the receipt of fines from federal court clerks to the Attorney General. The proposal would provide for more effective and efficient procedures to assure the payment of fines and penalties in cases tried by magistrates.

During 1985, the Office of Policy and Management Analysis provided analytic support to the Division's Asset Forfeiture Office and the Deputy Attorney General related to the implementation of the new forfeiture provisions of the Comprehensive Crime Control Act (CCCA). In particular, the development of guidelines, forms and administrative procedures for equitable sharing with state and local law enforcement agencies. It also provided analytic support to the Economic Crime Council in its assessment of white collar crime problems. In particular, it assisted in preparing a report on defense procurement and health care, and began a study examining sentencing issues related to white collar crime in anticipation of the new Sentencing Commission.

Program Changes: The 1987 budget base provides three positions to serve as messengers to transfer mail among Division components and to deliver special items to offices outside the Division. At present, regular mail transfers occur four times each day. By reducing regular transfers to one time per day and curtailing special deliveries, two messenger positions could be eliminated and the Division could save approximately $36,000. In addition, the base level contains one workyear for the employment of student assistants during the summer season. The individuals employed in this program assist in special projects and perform miscellaneous duties that help to maintain the continuity of operations during the summer vacation season. By eliminating the summer employment program, the Division estimates that it will save approximately $18,000 in the Management and Administration decision unit.

Additionally, the 1987 budget base provides nine positions--seven analysts and two clerical positions--for the analysis of policy and management issues. The Office of Policy and Management Analysis prepares a wide range of reports, studies, briefings and recommendations on many diverse law enforcement issues. Many of the subjects addressed by this unit, however, extend beyond the direct operational responsibilities of the Criminal Division. By limiting the work of this office to only subjects of direct operations interest to the Division three analyst positions and one clerical position could be eliminated, thus saving approximately $193,000.

Criminal Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Federal Appellate Activity		Organized Crime Prosecution				Public Integrity		Fraud			
			Decrease		Increase				Decrease		Increase	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	2	$105	...	...	...	...	1	$52
GS/GM-14	...	...	...	...	2	89	...	...	...	...	1	44
GS/GM-13	...	...	...	...	2	75	...	...	...	...	1	38
GS/GM-12	-1	-$32	-1	-$32	1	32	-1	-$32	-1	$-32	...	...
GS-11	...	...	...	...	...	...	...	...	...	...	...	...
GS-9	...	...	...	...	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...	...	...	...	...
GS-6	...	...	...	...	1	16	...	...	...	...	1	16
GS-5	...	...	...	...	2	29	...	...	...	...	1	14
GS-4	...	...	...	...	...	...	...	...	...	...	1	13
Total positions and annual rate	-1	-32	-1	-32	10	346	-1	-32	-1	-32	6	177
Lapse (-)	...	...	...	...	-5	-173	...	...	...	...	-3	-89
Permanent workyears and comp	-1	-32	-1	-32	10	173	-1	-32	-1	-32	3	88
Other than full-time permanent	...	...	-1	-14	...	...	...	...	...	...	...	...
Total workyears and personal comp	-1	-32	-2	-46	5	173	-1	-32	-1	-32	3	88
Personnel benefits	...	-3	...	-4	...	19	...	-3	...	-3	...	10
Travel	...	-1	...	-1	...	9	...	-1	...	-1	...	15
Transportation of things		...		...	...	3		...		...	...	2
GSA rent	...	-3	...	-4	...	23	...	-3	...	-3	...	15
Communications, utilities, and miscellaneous charges	...	-2	...	-3	...	25	...	-2	...	-2	...	18
Printing and reproduction		...		...	...	3		...		...	...	2
Other services	...	-1	...	-2	...	21	...	-1	...	-1	...	15
Supplies	...	...	...	...	...	7	...	...	...	...	...	8
Equipment	...	...	...	...	...	28	...	...	...	...	...	18
Total, workyears and obligations, 1987	-1	-42	-2	-60	5	311	-1	-42	-1	-42	3	191

762

Criminal Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Narcotic and Dangerous Drug Prosecution		Internal Security		Prosecution Support				Management and Administration		Total	
					Decrease		Increase					
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	...	...	1	$52	...	...	4	$209
GS/GM-14	1	$44	...	...	-1	-$45	2	89	...	...	5	221
GS/GM-13	1	38	...	...	...	...	1	38	-1	-$38	4	151
GS/GM-12	...	...	-2	-$63	-1	-32	...	...	...	...	-6	-191
GS-11	...	...	...	...	...	...	...	...	-1	-26	-1	-26
GS-9	...	...	...	...	-1	-22	1	22	...	...	...	...
GS-7	...	...	...	...	...	...	...	...	...	...	...	...
GS-6	1	16	...	...	...	...	1	16	-1	-16	3	48
GS-5	1	14	...	...	...	...	2	29	-2	-29	4	57
GS-4	...	...	...	...	...	...	...	...	-1	-13	...	...
Total positions and annual rate	4	112	-2	-63	-3	-99	8	246	-6	-122	13	469
Lapse (-)	-2	-56	...	...	...	...	-4	-123	...	...	-14	-441
Permanent workyears and comp	2	56	-2	-63	-3	-99	4	123	-6	-122	-1	28
Other than full-time permanent	...	...	...	...	-1	-14	...	...	-1	-14	-3	-42
Total workyears and personnel comp	2	56	-2	-63	-4	-113	4	123	-7	-136	-4	-14
Personnel benefits	...	6	...	-7	...	-13	...	14	...	-15	...	1
Travel	...	12	...	-4	...	-4	...	10	...	-14	...	20
Transportation of things		3		...	...	...		2		-2	...	8
GSA rent	...	13	...	-5	...	-12	...	13	...	-27	...	7
Communications, utilities, and miscellaneous charges	...	11	...	-4	...	-9	...	12	...	-25	...	19
Printing and reproduction		5		...	...	-1		4		-4	...	9
Other services	...	11	...	-2	...	-11	...	10	...	-22	...	17
Supplies	...	5	...	...	...	-1	...	6	...	-2	...	23
Equipment	...	9	...	...	...	...	...	17	...	...	...	72
Total, workyears and obligations, 1987	2	131	-2	-85	-4	-164	4	211	-7	-247	-4	162

CRIMINAL DIVISION

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program

Program	Ranking
Organized Crime Prosecution	1
Narcotic and Dangerous Drug Prosecution	2
Organized Crime Drug Enforcement	3
Fraud Section	4
Public Integrity	5
Internal Security	6
General Litigation & Legal Advice	7
Office of Special Investigations	8
Federal Appellate Activity	9
Prosecution Support	10
Management and Administration	11

Program Increase

Program	Ranking
Organized Crime Prosecution	1
Narcotic and Dangerous Drug Prosecution	2
Fraud	3
Prosecution Support	4

764

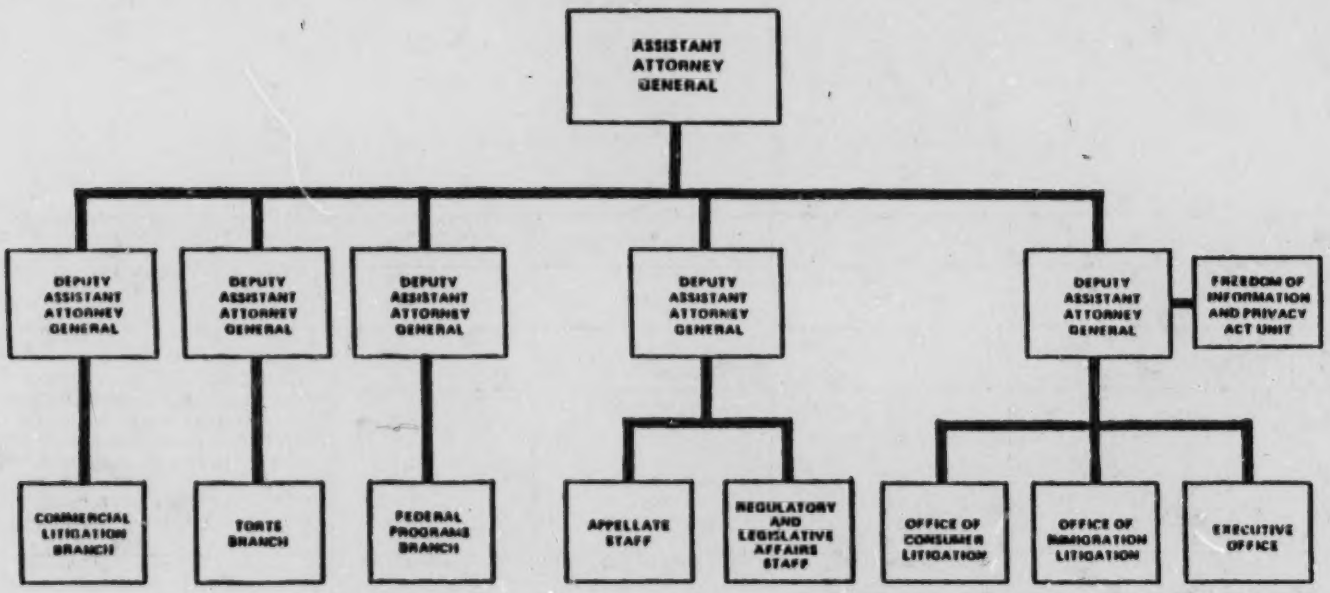
Criminal Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Decreases	1987 Program Increases	Total
Attorneys (905)	407	407	-7	17	417
Paralegal Specialist (950)	65	65	-1	1	65
Other legal and kindred (900-998)	10	10	...	...	10
Other miscellaneous (001-099)	3	3	...	...	3
Social sciences, economics (100-199)	7	7	-1	...	6
General admin., clerical (300-399)	257	257	-5	10	262
Accounting and budget (500-599)	7	7	-1	...	6
Total	756	756	-15	28	769
Washington	541	541	-15	18	544
Field	215	215	...	10	225
Total	756	756	-15	28	769

CIVIL DIVISION



Approved: _____ Date: 1/1/83

EDWARD C. SCHMULTS
Deputy Attorney General

766

Civil Division

Salaries and expenses, General Legal Activities

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request As Amended			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Federal Appellate Activity	64	70	$4,212	...	...	-$79	...	...	...	64	70	$4,133
Torts Litigation	200	205	26,648	...	...	-248	...	...	...	200	205	26,400
Commercial Litigation	225	228	15,106	...	...	-282	2	2	...	227	230	14,824
Federal Programs	172	178	17,022	...	...	-214	...	...	...	172	178	16,808
Consumer Litigation	35	37	1,832	...	...	-44	...	...	...	35	37	1,788
Immigration Litigation	30	30	2,824	...	...	-37	...	...	...	30	30	2,787
Management and Administration	106	107	4,918	...	...	-129	-2	-2	...	104	105	4,789
Total	832	855	72,562	...	...	-1,033	...	...	...	832	855	71,529

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

Congressional appropriation actions reduced the President's budget request by $1,033,000.

Reprogramming

In an effort to restrain the size of our administrative staff and make the most efficient use of the private sector, the Division's supply room operations are being provided through contractual services beginning in 1986. This action will reduce the Management and Administration decision unit by two positions and two FTE and will increase the Commercial Litigation decision unit by two postions and two FTE.

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	832	855	$71,529
Uncontrollable increases	...	...	3,930
Decreases	...	...	-1,112
1987 Base	832	855	74,347

	1985 Actual			1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
4. Claims, customs, and general civil matters..	832	828	$67,888	832	855	$71,529	832	855	$74,347	904	909	$80,102	72	54	$5,755

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	832	855	$71,529
Uncontrollable increases:			
Within-grade increases	...	...	325
Health benefits costs	...	...	24
GSA rent	...	...	1,646
GSA recurring reimbursable services	...	...	8
Telephone system line change	...	...	180
GPO printing costs	...	...	2
Departmental printing and reproduction costs	...	...	28
Postal service increases	...	...	19
General pricing level adjustment	...	...	936
Foreign allowances	...	...	4
Foreign counsel	...	...	21
Private counsel	...	...	10
Annualization of 1986 relocation amendment	...	...	727
Total, uncontrollable increases	...	...	3,930
Decreases:			
FTS	...	...	-47
Relocation	...	...	-983
Equipment	...	...	-82
Total decreases	...	...	-1,112
1987 Base	832	855	74,347

Civil Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	64	69	$3,888	64	69	$3,870	64	70	$4,133	64	70	$4,347	64	70	$4,347	...	...	...
Torts Litigation	200	199	25,591	200	197	25,015	200	205	26,400	200	205	27,464	214	215	30,680	14	10	$3,216
Commercial Litigation	225	223	14,220	225	224	14,162	227	230	14,824	227	230	15,435	285	274	17,974	58	44	2,539
Federal Programs	172	178	16,160	172	168	15,649	172	178	16,808	172	178	17,115	172	178	17,115	...	...	...
Consumer Litigation	35	37	1,655	35	31	1,671	35	37	1,788	35	37	1,950	35	37	1,950	...	...	...
Immigration Litigation	30	30	2,672	30	30	2,685	30	30	2,787	30	30	2,955	30	30	2,955	...	...	...
Management and Administration	106	107	4,837	106	109	4,836	104	105	4,789	104	105	5,081	104	105	5,081	...	...	...
Total	832	843	69,023	832	828	67,888	832	855	71,529	832	855	74,347	904	909	80,102	72	54	5,755
Other Workyears Overtime		8			8			8			8			8			...	
Total Compensable Workyears		851			836			863			863			917			54	

770

Civil Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Claims, customs, and general civil matters	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal Appellate Activity.....	64	70	$4,133	64	70	$4,347	64	70	$4,347	...	...	...
Torts Litigation.....	200	205	26,400	200	205	27,464	214	215	30,680	14	10	$3,216
Commercial Litigation.....	227	230	14,824	227	230	15,435	285	274	17,974	58	44	2,539
Federal Programs.....	172	178	16,808	172	178	17,115	172	178	17,115	...	...	...
Consumer Litigation.....	35	37	1,788	35	37	1,950	35	37	1,950	...	...	...
Immigration Litigation.....	30	30	2,787	30	30	2,955	30	30	2,955	...	...	...
Management and Administration.....	104	105	4,789	104	105	5,081	104	105	5,081	...	...	...
Total.....	832	855	71,529	832	855	74,347	904	909	80,102	72	54	5,755

This activity provides representation for the United States' interests in all types of civil cases and matters except those within the specialized fields of the other Divisions of the Department. The litigation encompasses the full spectrum of legal problems encountered by private business enterprises because the departments and agencies of the Government are engaged in innumerable commercial ventures similar to those of a modern corporation, such as buying, selling, construction, shipping, production of energy, insurance, housing, and banking. In addition, the Division litigates the significant policy issues, often rising to constitutional dimension, associated with Government activities. Hence, the overall objective of Civil Division activity is to provide the Government with the best possible legal representation. While the Division operates as the Government's law firm, it also functions as a counselor and advisor for important Government programs that may become the subject of litigation.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Appellate Litigation.....	64	70	$4,133	64	70	$4,347	64	70	$4,347	...	...	...

Long-range Goal: To protect the interests of the United States by successfully defending against appeals seeking reversal of appellate court and agency decisions favorable to the Government, securing the reversal of appellate court or agency decisions against the Government, and preparing documents for filing in the Supreme Court.

Major Objectives:

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

To initiate and prevail in appeals in which the Government's opponents were successful at the trial court or administrative levels.

To protect the Government's interest at the highest level of appeal by preparing documents to be filed by the Solicitor General in the Supreme Court.

Base Program Description: The Appellate Staff defends the interests of the United States in litigation in Federal and state courts of appeals and prepares documents for filing by the Solicitor General in the Supreme Court. While many judgments entered at the trial courts level in Civil Division cases are favorable to the Government, they are often appealed by the opponent. To ensure resolution of the problem which initially gave rise to the litigation (i.e. recovery of monies, protection or enforcement of Federal programs, or defense of monetary claims) these cases must be defended at the appeals court level. Similarly, adverse trial court decisions must be studied and analyzed and appeals filed and prosecuted if the Government's interest is to be fully protected. Finally, several major Federal statutes provide direct review of administrative decisions at the appeals court level.

Supreme Court case receipts and memoranda are projected to increase in 1987 by 61 percent over 1985. At the court of appeals level, pending cases and memoranda estimates reflect an increase in 1987 of 76 percent over 1985.

772

Accomplishments and Workload: Workload of the Federal Appellate Staff is presented in the following table:

Appellate - All Courts - Cases and Memoranda	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
1. Personally Handled				
Pending -- start-of-year	1,275	1,706	2,131	2,578
New Cases and Memoranda	1,449	1,736	2,088	2,408
Terminations	1,018	1,311	1,641	2,018
Pending -- end-of-year	1,706	2,131	2,578	2,968
2. Supervised				
Pending -- start-of-year	743	816	922	1,048
New Cases and Memoranda	701	777	862	953
Terminations	628	671	736	819
Pending -- end-of-year	816	922	1,048	1,182
3. Received and Delegated	1,303	1,438	1,730	2,088
4. Total				
Pending -- start-of-year	2,018	2,522	3,053	3,626
New Cases and Memoranda	3,453	3,951	4,680	5,449
Terminations	2,949	3,420	4,107	4,925
Pending -- end-of-year	2,522	3,053	3,626	4,150

During the past year, the Appellate Staff handled a variety of cases of national significance:

Chaney v. Heckler. This case was brought by prison inmates sentenced to death in Texas and Oklahoma. They had petitioned the Food and Drug Administration (FDA) to prohibit the enforcement of state statutes providing for the carrying out of death penalties by administering lethal overdoses of drugs, on the grounds that the states proposed to administer drugs which had been approved by the FDA as safe and effective for other purposes, but had not been so approved for human execution. The FDA denied the petition and plaintiffs brought suit for injunctive and declaratory relief. The D.C. Circuit, reversing the district court's dismissal of the complaint, held that the FDA's decision to take no enforcement action was subject to judicial review and that the FDA, in reaching its decision had acted "arbitrarily, capriciously, and without authority of law." The Supreme Court, in a victory for the Government reversed the D.C. Circuit ruling and held that an agency's decision not to take enforcement action is presumed immune from judicial review where agency action is "committed to agency discretion by law." The impact of this case will be to slow the increase in litigation surrounding agency discretionary actions.

United States v. Shearer. In this case, a soldier who had murdered a woman in Germany was sent back to the United States to be processed for discharge after his release from prison. While awaiting discharge, he murdered a fellow soldier while both were off base. The murdered soldier's mother brought suit under the Federal Tort Claims Act, alleging that the Army was negligent in failing to discharge the murderer sooner. The Staff defended on the basis of (1) the assault and battery exception to the Tort Claims Act and (2) the Feres doctrine.

The Supreme Court agreed with the Government's position on the Feres issue, on the ground that the complaint challenged military personnel decisions and thus struck at the heart of military command -- the purpose of the Feres doctrine being to protect such military decisions from scrutiny by civilian courts. This decision should be very helpful in the Agent Orange and atomic radiation litigation, because it demonstrates that Feres applies where a military decision is involved, even if the injury occurs off base and off duty. There are some $4 billion in pending atomic radiation claims by military personnel and over $10 billion in Agent Orange claims.

CIA v. Sims. The Supreme Court has held that Section 203(d)(3) of the National Security Act, as an Exemption 3 statute under the Freedom of Information Act (FOIA), protects from mandatory public disclosure the identities of researchers who performed research for the CIA between 1953 and 1966 in project MKULTRA. The Supreme Court's majority opinion adopted the CIA's interpretations of "intelligence sources" under the National Security Act (i.e., all suppliers of foreign intelligence information to the CIA without regard to any qualifying conditions). The Supreme Court's decision is expected to have a major impact in encouraging sources to provide foreign intelligence information to the CIA without the fear of subsequent public disclosure under FOIA.

International Union, U.A.W. v. Donovan. In this major action, a labor union challenged the Secretary of Labor's discretionary budget allocation of $25 million for the Trade Act training program for workers affected by foreign trade. The district court sided with plaintiffs and ordered the Secretary of Labor to reimburse thousands of workers with up to $124 million in Department of Labor 1982 funds which had lapsed to the Treasury. The Staff successfully obtained an emergency stay pending appeal in the D.C. Circuit. Subsequently, the court upheld our arguments that a lump sum appropriation leaves the recipient agency with the discretion to distribute the funds. This major Government victory avoided a loss of up to $124 million and shields from review many future allocation decisions made under lump sum appropriations.

774

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation.....	200	205	$26,400	200	205	$27,464	214	215	$30,680	14	10	$3,216

Long-range Goal: To protect the interests of the United States by successfully litigating in defense of non-meritorious monetary claims, preventing excessive losses from meritorious claims, and maximizing the monetary recovery for injury and damages to Government property.

Major Objectives:

To prevail in the defense of tort actions brought against the Government, its agencies and individual Federal employees and to seek contribution and indemnity from third parties where the Federal Treasury has been required to satisfy the obligations of another party.

To initiate and prevail in affirmative actions when the Government has sustained injury or expended resources on behalf of another party.

Base Program Description: In the course of performing the missions and duties assigned by the Congress and the President, the Government is frequently challenged by private plaintiffs seeking monetary damages for alleged negligent or wrongful conduct or for violating constitutional and common law rights of the plaintiffs causing damage or injury. In addition, the acts of private tortfeasors sometimes result in injury or damage to Government property which prompts affirmative actions by the United States for compensation.

The standard rule that the United States should not be liable for its regulatory or program activities is increasingly under attack. Compounding this trend is the liberalization of the expansion of tort law both in the courts and the private sector. Traditional Government defenses are no longer ironclad. Cases which historically would have been the subject of relatively simple motions are now of major importance and threaten enormous fiscal impact. The plaintiffs' bar has begun to view the Government as an opponent with limited litigation resources, but with a "deep pocket" to fund adverse judgments.

The mission of the Torts Branch is to act as the Government's attorney in defending these claims and bringing suit when the Government has sustained injury. Moreover, the Branch serves a vital role as the guardian of the public funds, defending tort claims which could potentially cost the U.S. Treasury billions of dollars. New cases are projected to increase substantially, especially in the areas of medical malpractice, employee negligence and asbestos claims where the dollars defended are expected to reach $113.5 billion by 1987. Case receipts in these areas are expected to increase from 3,872 in 1985 to 5,093 in 1987.

Accomplishments and Workload: Workload of Torts Litigation is presented in the following table:

Torts Litigation	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate Base	1987 Estimate Request
1. Personally Handled Cases					
Pending -- start-of-year	4,952	5,844	6,157	6,819	6,819
New Cases	2,079	1,668	1,946	1,733	2,061
Terminations	1,187	1,355	1,284	1,025	1,073
Pending -- end-of-year	5,844	6,157	6,819	7,527	7,807
2. Supervised Cases					
Pending -- start-of-year	4,149	4,830	4,984	5,835	5,835
New Cases	2,166	2,401	2,883	2,301	2,569
Terminations	1,485	2,247	2,032	2,374	2,342
Pending -- end-of-year	4,830	4,984	5,835	5,762	6,062
3. Cases Received and Delegated	1,309	1,304	1,338	2,834	2,303
4. Total Cases					
Pending -- start-of-year	9,101	10,674	11,141	12,654	12,654
New Cases	5,554	5,373	6,167	6,868	6,933
Terminations	3,981	4,906	4,654	6,233	5,718
Pending -- end-of-year	10,674	11,141	12,654	13,289	13,869

To handle its increasing workload, the Torts Branch has undertaken two noteworthy management initiatives. First, to minimize the future rate of growth in adverse claims, the Torts Branch has implemented a preventive law and client relations program, including seminars and symposia on the Federal Torts Claim Act, medical malpractice, aviation admiralty law, personal liability and asbestos. Second, to handle the massive asbestos litigation and in response to court orders the Torts Branch has established a major automated litigation support system. Torts Branch asbestos attorneys, with the assistance of private contractors, have reviewed millions of potentially relevant documents and microfilmed approximately three million of these documents.

With respect to litigative accomplishments, the Branch solidified the impact of the landmark Supreme Court case of Varig v. United States by prevailing in a number of significant aviation cases which have amplified and expanded the application of the discretionary function defense to aircraft certification matters. The Torts Branch also obtained dismissal of most of the negligence claims against the Government arising out of the KAL 007 shoot-down as unjustifiable political questions. Intensive work has begun in the litigation arising out of the Delta 191 Dallas/Ft. Worth crash.

Affirmative admiralty claims arising in vessel pollution, cargo, lock damages, wreck removal and ship mortgage foreclosure cases continue to provide the Torts Branch with its largest area of monetary recoveries, $44.8 million in 1985. The Torts Branch has submitted to the Congress, on behalf of the Administration, a number of significant admiralty legislative matters including a revision of a limitation of liability law.

In the Atomic Weapons Contractor cases, the Torts Branch is handling the defense of approximately $4.2 billion in damage claims. In addition, attacks on the constitutionality of § 1631 of the Department of Defense Appropriation Act of 1985 (P.L. 98-525), which established an exclusive damage remedy against the United States for acts of nuclear weapons contractors, are being defended. Recent hearings in the Northern District of California concerning, inter alia, these constitutional issues resulted in a favorable decision upholding the statute and applying it to bar more than 40 consolidated suits.

The Torts Branch has continued its aggressive and successful defense of asbestos claims. In Shuman v. United States the First Circuit reversed the only judgment ever entered against the United States in asbestos litigation, an award in favor of an alleged mesothelioma victim who worked on construction of Government vessels in a private shipyard. The Court held that the Government's decision to leave supervision of safety matters to the private shipyard was protected by the discretionary function exception.

The Constitutional Tort attorneys have recently reached a successful conclusion in Mitchell v. Forsyth where the plaintiff sought damages personally from former Attorney General Mitchell for a warrantless national security wiretap conducted before the Supreme Court held that warrants were required. The Supreme Court held in June, 1985 that Mr. Mitchell was protected by qualified immunity, the doctrine that protects Government officials from insubstantial damages suits. The Court held that qualified immunity was not only a defense to liability but also in some circumstances a bar to litigation itself. This Torts Branch case has lessened the likelihood that future civil actions will be used to impose upon the time and energies of Government officials.

777

Program Changes: The Torts Branch requests $3,216,000 of which $675,000 will be used to fund 14 new positions to handle the burgeoning caseload and $2,541,000 will be used to acquire automated litigation support services needed for the mammoth asbestos litigation.

New positions will allow the Branch to personally handle the massive litigation and claims brought against the United States as a result of airline disasters, especially the more than 275 cases expected in connection with the Dallas/Fort Worth crash of Delta 191. Branch attorneys will also be able to initiate millions of dollars in affirmative admiralty claims arising in vessel pollution, lock damages, wreck removal and ship mortgage foreclosures.

Additional positions will also enable the Branch to personally handle the increasingly complex medical malpractice and employee negligence claims. The amount of the medical malpractice claims against the Government is projected to exceed $46.7 billion by 1987, constituting a major threat to the public fisc. Moreover, the Branch attorneys will be able to devote an adequate level of effort to the defense of approximately $4.2 billion in damage claims in the atomic weapons contractor cases. The defense of these cases became a new responsibility of the Branch as a result of the Department of Defense Authorization Act of 1985 and constitutes a potentially enormous threat to the public Treasury.

The Division is approaching critical milestones in asbestos litigation. Claims Court orders issued in November 1984 required consolidated discovery of all relevant Government documents in Federal Records Centers in exchange for U.S. discovery rights to review manufacturer's documents. The processing of hundreds of millions of documents must be completed prior to the trials. The Johns Mansville Claims Court litigation is scheduled for October 1986 and the trial for the other plaintiff manufacturers in January 1987. Approximately 236 million pages of Government documents in Federal Records Centers, plus 40 million pages of manufacturer's documents remain to be processed. Existing resources do not ensure the completion of Government document discovery obligations creating an unacceptable litigative posture for not only the Claims Court cases but the other 3,000 asbestos cases that are dependent on the discovery findings. $2.5 million for Automated Litigation Support services will allow for completion of the asbestos discovery operations, continued maintenance and use of the existing data bases and ongoing trial support during the course of the Claims Court litigation.

Without the requested level of resources, the explosive growth in the amount of claims against the Government will have a devastating effect on the Treasury and constitute an open door for continued growth in massive tort claims against the United States. The carefully crafted and hitherto successful defense of more than $6 billion in asbestos claims will be jeopardized. The complex and highly technical legal defense of the aviation claims which are projected to skyrocket by 1987 will be in jeopardy. The defense of the atomic weapons contractor cases which requires extensive attorney and automated litigation support resources in order to forestall an avalanche of billions in additional claims will be jeopardized. Finally, defense of highly technical, multi-million dollar medical malpractice claims will be understaffed, leaving the Treasury vulnerable to burgeoning claims.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation..	227	230	$14,824	227	230	$15,435	285	274	$17,974	58	44	$2,539

Long-range Goal: To successfully prosecute claims for the recovery of monies fraudulently secured or improperly diverted from the United States; defend international trade policy; defend and assert the Government's contract and intellectual property rights; defend and assert the Government's financial and commercial interest under foreign treaties; and collect monies owed the United States as a result of civil judgments, compromises and defaulted loans.

778

Major Objectives:

To save the Government money by winning lawsuits and obtaining favorable settlements of contract, intellectual property, international trade and Government employment litigation brought against the United States.

To collect money owed the United States as a result of defaulted contracts, unpaid loans, unsatisfied judgments, breach of grant agreements and misuse of benefit programs.

To recover funds lost through fraud in Government programs and the corruption of public employees and to deter future losses by collecting the statutory penalties allowed for such violations.

To defend Government policies challenged in litigation involving money damages.

Base Program Description: The Commercial Litigation Branch is responsible for defending actions seeking money judgments against the United States and for initiating civil action to collect money owed the United States as a result of various commercial and statutory activities. The Branch is also responsible for the Government's civil litigation arising from fraud, bribery and official misconduct; the collection of civil fines or other money judgments; challenges to Government personnel actions; the collection of defaulted loans; and other litigation arising from the commercial undertakings of the Federal Government. As Federal outlays increase, particularly for national defense, litigation resulting from commercial expenditures rises proportionately. The Branch's activities are largely defensive in its efforts to protect the financial interests of the United States.

Defensive caseloads continue to rise steadily in the Branch. An approximate 72 percent increase in active cases is expected from 1985 to 1987. Associated claims are expected to grow from $18.6 billion in 1985 to $25.3 billion in 1987.

In affirmative litigation, the Branch recovered $236 million in 1985 and estimates recovery of $253 million in 1986 and $289 million in 1987.

Accomplishments and Workload: Workload of Commercial Litigation is presented in the following table:

Commercial Litigation	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate Base	1987 Estimate Request
1. Personally Handled Cases					
Pending -- start-of-year	5,881	7,940	7,102	6,375	6,375
New Cases	3,370	2,673	2,811	2,620	3,281
Terminations	1,311	3,511	3,538	1,980	2,219
Pending -- end-of-year	7,940	7,102	6,375	7,015	7,437
2. Supervised Cases					
Pending -- start-of-year	8,059	11,270	14,734	18,596	18,596
New Cases	5,001	7,154	8,643	10,192	10,349
Terminations	1,790	3,690	4,781	5,977	5,977
Pending -- end-of-year	11,270	14,734	18,596	22,811	22,968
3. Cases Received and Delegated	5,258	5,460	5,432	6,807	6,666
4. Total Cases					
Pending -- start-of-year	13,940	19,210	21,836	24,971	24,971
New Cases	13,629	14,287	16,886	19,619	20,296
Terminations	8,359	11,661	13,751	14,764	14,862
Pending -- end-of-year	19,210	21,836	24,971	29,826	30,405

In 1985, we successfully defended the constitutionality of the 1984 Bankruptcy Code amendments in numerous cases, including Production Steel, Inc. v. Bethlehem Steel Corp. and FDIC v. Moens. The Branch has continued to handle significant litigation arising out of defaulted loans in the area of energy production, including representation of the Department of Energy (DOE) in connection with the default on $1.5 billion in DOE guaranteed loans used to finance the Great Plains Gasification Project. Similarly, we have continued to work closely with the Rural Electrification Administration (REA) with respect to numerous electric companies whose financial condition has seriously jeopardized billions of dollars in loans and grants made by that agency.

The Branch has provided increasing litigative support of the Maritime Administration's (MARAD) secured interest in vessels due to the numerous bankruptcies involving shipping companies. This year we were successful in obtaining significant recoveries in several of those cases, including the recovery and foreclosure of sixteen tug/supply vessels, valued at over $34 million (In re Marsea One, Inc. through Marsea Marine Seventeen, Inc.), and other vessels valued at $22 million (In re Tractug).

In Schapansky v. Department of Transportation, we convinced the Federal Circuit to sustain the removals of air traffic controllers for participating in an illegal strike. Of the 3,500 originally filed appeals, more than 700 are still pending and will be governed by the law established by the favorable lead decisions.

The Federal Circuit, in an en banc decision in Lovshin v. Department of the Navy, accepted our argument that performance-based actions against federal employees could be taken either under Chapter 43 or Chapter 75 of Title 5, United States Code. In so holding, the court of appeals overruled the Merit Systems Protection Board's (MSPB) decision in Gende v. Department of Justice that performance-based actions only could be brought pursuant to Chapter 43. This decision will provide management more flexibility in taking action against poorly performing employees than would have been available had the MSPB's decision in Gende been followed by the courts of appeals.

In American Electronics Laboratories, Inc., the Branch recovered $2.65 million for a scheme involving false labor cost mischarging on Department of Defense contracts. Other cost mischarging cases include recoveries of $1.9 million from General Electric and $750,000 from R.D.L., Inc., on Defense Department procurements; $900,000 from Otis Elevator on a Department of Transportation contract; a $180,000 judgment against Midwest Engine, Inc., involving a GSA contract; and $80,000 from Meredith Associates, Inc., arising from an Environmental Protection Agency consulting contract.

In Fogerty v. United States, a patent infringement suit to recover compensation for the Goverment's use of the docking mechanism for the Apollo lunar spacecraft, the Federal Circuit affirmed the Claims Court's judgment dismissing the complaint on the ground that the patent was not infringed.

In F.A.G. Bearings, Inc., the Branch recovered $4 million from an importer who entered certain bearings by means of material and false documents and/or omissions. In American Association of Exporters-Importers, we sustained the President's broad authority to implement negotiated textile agreements without the necessity of complying with any procedural requirements.

781

Program Changes: The Commercial Litigation Branch requests $2,539,000 to fund 58 new positions (31 attorney, 17 secretaries and 10 paralegals). Only at this request level of funding will the Branch have sufficient resources to resist unwarranted demands on the Treasury and bring suit to recover monies owed to the Government.

With enhanced resources, Branch attorneys can personally handle litigation brought against Federal agencies in the recently created Claims Court and the Court of Appeals for the Federal Circuit. The escalating caseload in these two courts will continue to overburden available resources. Not only is the volume of filings increasing, particularly in the contract areas, but the cases are becoming more complex, requiring an extraordinary level of effort to master the serious legal issues under the Claims Court's jurisdiction.

Additional resources will allow the Branch to protect the creditor rights of the United States in the increasingly difficult bankruptcy cases. The number of complex Chapter 11 bankruptcy matters are increasing. In addition, the Division will continue its involvement in major litigation surrounding the loan default and bankruptcy of several utility cooperatives which hold government loans worth hundreds of millions of dollars.

The requested level of resources will provide strong support for the Administration's efforts to recover money lost through fraud, waste and abuse. The number and quality of civil fraud referrals are expected to continue their sharp increase, particularly in the area of defense procurement fraud. Increased resources will allow Branch attorneys to file suit on more of these referrals thereby recovering millions of dollars for the Treasury and deterring similar future behavior. Without the ability to file suit in civil fraud cases, the effectiveness of the anti-fraud investigative and audit network will be greatly hampered, undermining a priority initiative of this Administration.

Without the increased resources, the Civil Division will be unable to adequately defend against the challenges to the Treasury. In addition, the Division would have to forego initiating critical affirmative litigation. These measures would cost the Government untold millions of dollars.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Programs.....	172	178	$16,808	172	178	$17,115	172	178	$17,115	...	...	...

Long-range Goal: To successfully defend the challenges to Federal civil programs, policies, and initiatives and to enforce remedies for statutory violations of Federal programs.

Major Objectives:

To prevail on behalf of the United States in defensive civil litigation which arises from judicial review of the programs, policies, initiatives and decisions of the President, Executive Branch agencies and officials of the Legislative and Judicial Branches.

To initiate and prevail in affirmative litigation aimed at remedying statutory and regulatory violations.

Base Program Description: The Federal Programs Branch serves to defend the integrity and enforcement, and often the continuing existence and viability, of virtually all Federal agencies' programs, policies, initiatives and decisions. The public, either individually or through various organizations and groups, has turned increasingly to the courts in an effort to change programs, policies and decisions they perceive to be deficient. Consequently, the Branch must vigorously defend against legal challenges to an ever-increasing number of vital Government policies and programs to ensure they are not frustrated through the judicial process.

In civil litigation, the Branch represents the United States and its nearly 100 Departments and agencies, Members of Congress, the Federal judiciary, Cabinet members, and other Federal executives, officers, and employees acting in their official capacities. Most of the litigation is defensive.

Defensive case receipts in 1987 will increase by 20 percent over the 1984 level. The litigation defended by the Branch, while generally not for specific monetary amounts, does include cases with actual or potentially massive impact upon the

expenditures. Challenges to restrictive statutory provisions and regulations could result in judicial decisions which would entitle plaintiffs to Federal benefits estimated to cost billions of dollars over the life of the entitlements program.

The Federal Programs Branch also serves as the emergency civil litigation center for the Government. This work involves handling the very complex litigation brought against the Government under extraordinarily short time frames. This litigation is most often extremely sensitive, controversial, highly visible and of national and/or international importance.

Accomplishments and Workload: Workload of Federal Programs is presented in the following table:

Federal Programs	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Personally Handled Cases				
Pending -- start-of-year	1,206	1,146	763	948
New Cases	324	343	718	531
Terminated	384	726	533	567
Pending -- end-of-year	1,146	763	948	912
Supervised Cases				
Pending -- start-of-year	5,193	5,476	5,166	5,052
New Cases	1,009	926	975	1,009
Terminated	726	1,236	1,089	1,101
Pending -- end-of-year	5,476	5,166	5,052	4,960
Cases Received and Delegated	2,199	2,457	2,633	2,916
Total Cases				
Pending -- start-of-year	6,399	6,622	5,929	6,000
New Cases	3,532	3,726	4,326	4,456
Terminated	3,309	4,419	4,255	4,584
Pending -- end-of-year	6,622	5,929	6,000	5,872

The Federal Programs Branch has improved its litigative effectiveness through the utilization of Automated Litigation Support. Over the past few years, and to an even greater extent this year, the Branch has increasingly been called upon to defend or initiate very large and complex lawsuits, each of which requires mastery of voluminous documentary evidence. The Automated Litigation Support program is used extensively on these cases, thereby increasing the efficiency of discovery activities.

To improve coordination in the increasing number of cases involving Executive Order 12291, the Regulatory Flexibility Act and the Paperwork Reduction Act, the Department of Justice has established a clearinghouse in the Federal Programs Branch. The clearinghouse continues to assure proper agency/OMB interaction in litigation involving regulatory reforms which reduce Federal expenditures and relieve regulatory burdens.

The litigation of the Federal Programs Branch continues to be typified by cases of national importance. The Branch is litigating the constitutionality of the Balanced Budget and Emergency Deficit Control Act of 1985 in Synar v. United States and NARFE v. Horner. In Ticor v. FTC, Branch attorneys are defending the constitutional authority of the Federal Trade Commission to commence enforcement actions.

The Branch represented the Labor Department in an important case implicating principles of federalism in Garcia v. San Antonio Metropolitan Transit Authority. The case, remanded by the Supreme Court in a decision overruling National League of Cities v. Usery held that Congress could constitutionally apply the Fair Labor Standards Act to state and local governments. Through extensive negotiations, the Branch was able to achieve a favorable settlement in the SAMTA dispute. In AFL-CIO v. Donovan, organized labor groups challenged eight new Service Contract Act regulations restricting the number of Government contracts which must contain prevailing wage requirements. Because seven of the regulations were upheld, the Department of Labor estimates a savings of approximately $124 million a year in Government contracting costs.

In defense of Transportation Department programs, the Branch successfully defended the Federal Railroad Administration's new regulations requiring alcohol and drug testing of rail crews after significant accidents/incidents (Railway Labor Executives Association v. Dole). The case is now on appeal. The Branch has also been successful in defending Department of Transportation deregulation initiatives. In Hoover v. Dole, the Branch succeeded in defending the Department's planned $1.2 billion sale of Conrail.

Significant changes in the regulation of banks and other financial institutions are creating an increasing caseload with enormous complexity. The Branch is defending against several challenges to decisions of the banking agencies to enlarge the scope of activities available to the banking institutions which would enable them to successfully compete with other types of financial institutions.

The Branch continues to defend very large and complex lawsuits which require the fulltime assignment of several attorneys. On July 22, 1983, the greatest municipal bond default in American history occurred. On that date the Washington Public Power Supply System (WPPSS) officially declared that it could not pay back $2.25 billion in bonds it issued to finance the construction of two nuclear power plants. Various tort, contract and other claims against the United States exceed $15 billion. The Civil Division established a Portland Field Office in 1984 to defend the interests of the United States, primarily on behalf of the Bonneville Power Administration (BPA). With 120 separate parties and over 150 million pages of documents, Branch attorneys are engaged in a monumental discovery and litigation project.

The Branch continues to litigate United States v. General Motors, an important affirmative case in the area of auto safety. The Government is seeking the recall of 1.1 million automobiles for brake defects and the imposition of civil penalties in the amount of $4,027,000.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Consumer Litigation....	35	37	$1,788	35	37	$1,950	35	37	$1,950	...	...	...

Long-range Goal: To protect the interests of consumers from defective or harmful products and from unfair and deceptive trade practices.

Major Objectives:

To provide effective enforcement of Federal consumer protection statutes through institution of affirmative civil litigation.

To consider the prosecutive merit of criminal matters under consumer protection statutes and initiate or assist in the conduct of appropriate criminal proceedings.

To represent the United States in defensive litigation when initiatives and programs of the principal consumer protection agencies are challenged.

Base Program Description: The Office of Consumer Litigation has responsibility for litigation under Federal statutes that protect public health and safety and regulate unfair and deceptive trade practices in interstate commerce. The Office defends the programs, policies and decisions of the Government in consumer related areas and enforces those policies by both civil and criminal sanctions in order to avert health risks to the public and deter economic fraud which has a significant impact on the economy.

The Office initiates affirmative litigation to ensure that unsafe and adulterated foods and drugs do not reach the marketplace, protect the integrity of the drug approval process and enforce Federal policies in the regulation of foods. Affirmative litigation also covers such areas as hazardous and unsafe consumer products, unfair debt collection and consumer credit practices, franchising, door-to-door and mail order sales, enforcement of administrative orders relating to price fixing and divestiture, unfair and deceptive advertising practices, and cigarette and automobile labeling. In defensive litigation, the Branch represents the Government in challenges to Federal policies and initiatives aimed at protecting the public in its purchase of foods, drugs, devices and consumer products.

The Office experienced a continued increase in Food and Drug Administration (FDA) case referrals. Of this increase, over two-thirds were in more complex case categories other than routine product seizures. In addition, the Office anticipates a 20 percent increase in criminal case receipts over the 1985 level. The majority of criminal cases now received are felony cases which, in many instances, require extensive grand jury work and involving false claims, conspiracy, and other charges unrelated to the Food, Drug and Cosmetic Act as well as charges under the Act.

The affirmative civil litigation initiated by the Office involves significant judgments and recoveries. Office attorneys are currently handling an appeal challenging a $4 million judgment awarded to the Government in one of the Office's cases.

Accomplishments and Workload: Workload of Consumer Litigation is presented in the following table:

Consumer Litigation	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
1. Personally Handled Cases				
Pending -- start-of-year	254	271	273	273
Receipts	149	161	167	173
Terminations	132	159	167	173
Pending -- end-of-year	271	273	273	273
2. Supervised Cases				
Pending -- start-of-year	340	461	462	462
Receipts	208	208	208	208
Terminations	87	207	208	208
Pending -- end-of-year	461	462	462	462
3. Total Cases				
Pending -- start-of-year	594	732	735	735
Receipts	357	369	375	381
Terminations	219	366	375	381
Pending -- end-of-year	732	735	735	735

The Office established an in-house indictment committee of managerial and staff attorneys to review all criminal indictments and informations prior to presentation to the grand jury or filing. The Office also instituted new case review mechanisms for the filing of criminal and civil cases referred by the agencies which increase managerial oversight and facilitate consistent policy decisions on all cases.

The Office continues to provide the Department with a vital resource for responding to consumer problems and issues, handling over 1,800 inquiries from individuals, groups and state officials seeking information or assistance from the Department.

The Office increased its effectiveness in gaining compliance with odometer tampering prohibitions by participation in a high level industry/government committee established to consider solutions to this pervasive economic fraud which costs the public as much as $1 billion a year. The Office also participated in the activities of the National Odometer

Enforcement Association. The Office serves as a clearinghouse and information center for state and local prosecutors, Assistant U.S. Attorneys and various law enforcement personnel on odometer fraud and related mail and wire fraud charges.

The unit has successfully prosecuted numerous criminal violations of the Food, Drug and Cosmetic Act and related acts and is currently presenting evidence to grand juries in a number of major matters under the Act. In United States v. SmithKline-Beckman Corporation, the Office prosecuted a major drug firm, SmithKline-Beckman Corporation, and certain of its medical officers for failure to report adverse reactions to a new drug, Selacryn, which involved potentially fatal liver damage and for mislabeling of the drug. SmithKline and three individuals have entered pleas with respect to 14 counts and have been sentenced. In United States v. General Nutrition, Inc., a major health foods chain and some of its officers were indicted for defrauding the Government and misbranding in connection with the sale of a product labeled as a food supplement but marketed and promoted as treatment for hypertension, multiple sclerosis and other diseases.

The Office has actively pursued odometer fraud, conducting major investigations in a number of states. Recent enforcement activities have resulted in a series of successful prosecutions of used car dealers in Cleveland, Tennessee. A number of dealers are serving jail sentences and have received sizeable fines, and two additional indictments or informations have been returned.

In Rhode Island, the Office successfully concluded six criminal odometer fraud cases. Some of the cases included charges of transporting altered securities as well as odometer violations. Sentences ranged from six months to four years and stiff fines were imposed. In one case, a fine of $260,000 was imposed, by far the largest fine the Government has been awarded in an odometer tampering matter. Most recently, a major odometer fraud indictment was returned in the Northern District of Georgia against Homer McDonald, Jr. of McDonald Chevrolet-Olds, Inc., and a number of other individuals charging 24 counts of mail fraud, interstate transportation of altered securities, and false odometer certification and failure to retain records.

Major accomplishments in civil litigation include five court of appeals victories in civil food and drug cases: a D.C. Circuit decision favorable to the FDA on whether aspirin products must contain a warning label relating to the risk of Reye's syndrome (Public Citizen Health Research Group v. Hayes); a Second Circuit decision adopting the Government's position that starch blockers are a drug and cannot be sold absent prior FDA approval (American Health Products Co., Inc. v. FDA); a First Circuit reversal of an adverse district court judgment relating to whether certain drug products required pre-market approval (United States v. Alcon Laboratories, Inc.); a D.C. Circuit decision upholding FDA's actions with respect to the classification of rigid glass permeable contact lenses (Contact Lens Manufacturers Association v. FDA); and a First Circuit decision supporting FDA's view that certain beverages were adulterated in that they contained an unapproved, unsafe food additive (United States v. Article of Food ***Coco Rico).

187

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration Litigation..	30	30	$2,787	30	30	$2,955	30	30	$2,955	...	...	...

Long-range Goal: To protect the interest of the United States by successfully defending challenges to Federal civil immigration programs, policies and initiatives and conducting civil litigation under the immigration and naturalization laws.

Major Objectives:

To prevail in all civil immigration litigation arising under the Immigration and Nationality Act and related laws.

To enforce programs undertaken for the purpose of facilitating the detention of aliens.

To represent the United States in civil litigation brought against executives of the Immigration and Naturalization Service in their official capacities.

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

Base Program Description: The Office of Immigration Litigation is responsible for handling a wide variety of immigration cases, the most prominent of which include major class actions attempting to halt or otherwise frustrate enforcement of the laws. Cases of this sort have the potential for severely hampering the ability of the Immigration and Naturalization Service (INS) to enforce the laws enacted by Congress and for weakening or destroying the Government's ability to respond to the ever present influx of undocumented aliens who are attracted to the United States by the job opportunities available here. Cases of this character generally require senior attorneys with expertise in complex litigation and immigration law. They typically involve requests for temporary restraining orders and/or preliminary injunctions, extensive discovery and trial.

Other major areas of responsibility for the Office of Immigration Litigation involve the defense of petitions for review filed by individual aliens in the courts of appeals to challenge orders of deportation and habeas corpus actions filed in District Courts by individual aliens who are attacking their confinement and/or their orders of exclusion from the United States. These cases often entail political asylum claims that have been rejected administratively. In addition, there has been an increase in the number of so-called Bivens suits against Governmental officials responsible for immigration enforcement.

In addition to this base workload, the Office is representing the United States in a consolidated action challenging the Attorney General's discretion to detain 2,700 Mariel Cubans with a history of antisocial conduct. In a related action, the Office took responsibility for the filing of about 1,100 civil collection cases against owners and captains of

vessels participating in the 1980 Mariel boat lift. These individuals failed to pay assessed fines for bring the Cuban nationals into the United States without visas. As a result, the Government has collected more than $200,000 in settlements.

Appellate claims which represent the most difficult, complex, and time-consuming immigration cases will continue to increase significantly in 1987. New receipts for these cases, to which Office attorneys devote more than half of their time, are projected to increase by 14.5 percent to 709 cases.

Accomplishments and Workload: Workload of Immigration Litigation is presented in the following table:

District Court Claims and Appellate	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
1. Personally Handled Cases				
Pending -- start-of-year	511	530	2,629	2,699
New Cases	421	3,165*	2,403	943
Terminations	402	1,066	2,333	2,022
Pending -- end-of-year	530	2,629	2,699	1,620
2. Supervised Cases				
Pending -- start-of-year	156	237	1,168	933
New Cases	227	1,207	330	354
Terminations	146	276	565	421
Pending -- end-of-year	237	1,168	933	866
3. Cases Received and Delegated	601	539	624	690
4. Total Cases				
Pending -- start-of-year	667	767	3,797	3,632
New Cases	1,249	4,911	3,357	1,987
Terminations	1,149	1,881	3,522	3,133
Pending -- end-of-year	767	3,797	3,632	2,486

* Increase in personally handled caseload is due to the litigation in the District Courts associated with the detention of excludable Mariel Cubans.

The Office of Immigration Litigation has five litigating teams, each headed by an experienced trial attorney. The teams are structured on a geographical basis in order to facilitate the provision of support and guidance to U.S. Attorneys. Having a team leader and trial attorney assigned to each district enables the Office to maintain continuing contact on

civil immigration matters, enhances the coordination of related judicial and administrative proceedings throughout the country, and better permits the Office to staff pending litigation in accordance with current priorities.

The Office handles the most complex and sensitive cases, which frequently raise significant challenges to the nation's ability to maintain control of its borders. Notable examples include:

Fernandez-Roque v. Smith and Garcia-Mir v. Smith. This consolidated action in Atlanta challenges the power of the Government to detain Mariel Cubans with a history of antisocial conduct and involves a claim by the aliens that they are entitled to asylum as a persecuted social group. The Office has been quite successful in the Eleventh Circuit, obtaining reversals of district court rulings that would have severely restricted continued detention and barred deportation for all detainees pending reopened administrative hearings on their class-wide asylum claim, and achieving the actual deportation of 201 detainees who were removed before Cuba suspended implementation of the repatriation agreement. In November of 1985, the district court again ordered elaborate detention hearings on the theory that President Carter's alleged "invitation" to the Cubans gave them a "liberty interest" in release on immigration parole. The Government has appealed. Additionally, over 1,000 of the detainees have filed individual actions challenging their detention, and the Office is principally involved in the defense of these cases.

Orantes-Hernandez v. Smith. This class action brought in Los Angeles by Salvadorans presents significant challenges to the way the INS processes apprehended illegal aliens. The aliens claim that the INS coerces Salvadorans into agreeing to return to El Salvador and to waive their rights to a deportation hearing and to apply for asylum. In 1982, the district court entered a nationwide preliminary injunction requiring INS to provide arrested Salvadorans with a notice that they could seek asylum in the United States. Part of the aliens' claim relates to the human rights conditions prevalent in their homeland. The trial, which began in December of 1985, is likely to focus on political violence in El Salvador as well as on INS practices in the United States.

Gonzales Batoon v. INS and Salgado Fuentes v. INS. A number of courts, particularly in the Ninth Circuit, have demonstrated decided reluctance to confine review of discretionary administrative decisions to the narrow scope of inquiry dictated by the Supreme Court. In practical application, this has resulted in a troublesome number of unwarranted reversals or remands for superfluous process and has provided incentive to additional litigation. The problem is particularly acute in the expanding category of cases in which aliens subject to outstanding orders of deportation have moved to reopen proceedings to apply for discretionary relief based on claims of extreme hardship. In an attempt to demonstrate an emerging pattern of decisions in conflict with the Supreme Court rulings and resolve an apparent intra-circuit disagreement on the function and limits of judicial review, the Office moved to consolidate a group of six cases in the Ninth Circuit in which the Government's rehearing petitions charged the respective panels with exceeding their narrow authority and limited scope of review. En banc rehearing has been granted in two of these cases and, regardless of whether the cases are consolidated, will afford a vehicle for challenging judicial abuses in this area.

790

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management & Administration.....	104	105	$4,789	104	105	$5,081	104	105	$5,081	...	...	...

Long-range Goal: Direct the conduct, handling, and supervision of all litigation and other matters delegated by the Attorney General to the Civil Division in a fair, successful and consistent manner.

Major Objectives:

To provide executive leadership and maintain effective management while creating a proper balance between central management control and individual attorney autonomy.

To secure, develop, and retain a competent and motivated staff while maintaining a work environment conducive to maximum productivity and effective decision making.

To plan and execute management improvements and support programs and provide administrative and automated litigation support services.

To secure adequate financial resources and manage their expenditure.

To develop and present to the Department legislative proposals which are reflective of a preeminent goal to promote the efficiency and effectiveness of the civil justice system.

To coordinate and ensure implementation of the Department's efforts to collect outstanding debts owed the Government.

Base Program Description: As "the Government's lawyer" the Civil Division is responsible for effectively representing over 180 Federal agencies in tens of thousands of cases which present the potential loss to the Treasury of more than $100 billion annually in direct awards, higher program costs or changes in anticipated revenue. Annually the Division handles thousands of court challenges to the statutory and regulatory integrity of the numerous Federal programs established by the Congress, the domestic and foreign policy initiatives of the President and the immigration laws and policies of the United States, and enforces consumer health and safety laws and prosecutes criminal violations of these statutes. The Management and Administration decision unit is responsible for providing Division-wide direction and management of the activities and staff, supervising and administering its operations, advising and assisting in the formulation of the Department's civil justice policies and programs, and providing management and administrative support services to the Division's staff.

Accomplishments and Workload: The overall workload of the Management and Administration program is summarized by the overall workload of the Division:

All Cases				1987 Estimate	
	1984 Actual	1985 Actual	1986 Estimate	Base	Request
1. Personally Handled Cases					
Pending -- start-of-year	14,079	17,437	19,055	19,692	19,692
New Cases	7,792	9,746	10,133	8,408	9,397
Terminations	4,434	8,128	9,496	7,785	8,072
Pending -- end-of-year	17,437	19,055	19,692	20,315	21,017
2. Supervised Cases					
Pending -- start-of-year	18,133	22,540	26,831	31,269	31,269
New Cases	8,874	12,184	13,377	14,458	14,883
Terminations	4,467	7,893	8,939	10,379	10,347
Pending -- end-of-year	22,540	26,831	31,269	35,348	35,805
3. Cases Received and Delegated	10,509	11,048	11,597	15,165	14,493
4. Total Cases					
Pending -- start-of-year	32,212	39,977	45,886	50,961	50,961
New Cases	27,175	32,978	35,107	38,031	38,773
Terminations	19,410	27,069	30,032	33,329	32,912
Pending -- end-of-year	39,977	45,886	50,961	55,663	56,822

The Division's accomplishments during 1985 reached the highest levels of excellence -- both in terms of litigative performance and management improvements. Effective leadership and a dedicated executive and management support team have combined with a staff of able, hard working attorneys to make possible this outstanding record. The litigative highlights include:

Remarkable success in major appellate cases with victories in over 83 percent of closed cases;

A 98 percent success rate in defeating monetary claims -- 9,049 cases involving claims against the Government of $13.3 billion with losses of only $274 million;

Recovery of $283 million in affirmative litigation -- 21 percent of the amounts sought by the Government; and

Resolution of 2,655 cases challenging the Administration's initiatives and programs, and 535 cases enforcing Federal statutes and programs.

Exemplary management accomplishments extend across a wide range of initiatives. Highlights include:

Debt collection -- over $1.3 billion in cash has been deposited in the Treasury since intensified efforts led by the Division began in 1981;

Privatization -- increased use of the private sector to perform administrative support functions such as mail/messenger services, case docketing, data entry and computer operations has generated benefits of $26.3 million and 1,273 saved FTE since 1981; and

Automation -- our information and technology program has contributed to the reduction of the proportion of total staff devoted to administrative and clerical activities from 43 percent in 1983 to 35 percent in 1985.

- AMICUS, the Civil Division's advanced office automation and communications network system, has been extended to 77 percent of Civil Division employees.
- Automated Litigation Support (ALS) has been expanded to 44 cases or families of cases including asbestos, WPPSS, Agent Orange, radiation and the Mariel Cuban deportations.

793

Civil Division

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Tort Claims		Commercial Litigation		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades						
GS/GM-15	1	$52	2	$104	3	$156
GS/GM-14	2	89	4	178	6	267
GS/GM-13	5	188	25	940	30	1,128
GS-9	2	44	10	218	12	262
GS-7	1	18	2	36	3	54
GS-6	3	48	15	241	18	289
Total permanent positions and annual rates	14	$439	58	$1,717	72	$2,156
Lapse	-4	-110	-14	-429	-18	-539
Total workyears and personnel compensation	10	329	44	1,288	54	$1,617
Personnel benefits		35		137		172
Travel and transportation of persons		112		290		402
Transportation of things		6		26		32
Standard level user charges		56		232		288
Communications, utilities, and miscellaneous charges		82		366		448
Printing and reproduction		11		45		56
Other services		2,555		58		2,613
Supplies and materials		12		48		60
Equipment		18		49		67
Total workyears and obligations, 1986	10	$3,216	44	$2,539	54	$5,755

794

Civil Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program	
Program	Ranking
Federal Appellate Activity	1
Torts Litigation	2
Commercial Litigation	3
Federal Programs	4
Immigration Litigation	5
Consumer Litigation	6
Management and Administration	7

Program Increase	
Program	Ranking
Commercial Litigation	1
Torts Litigation	2

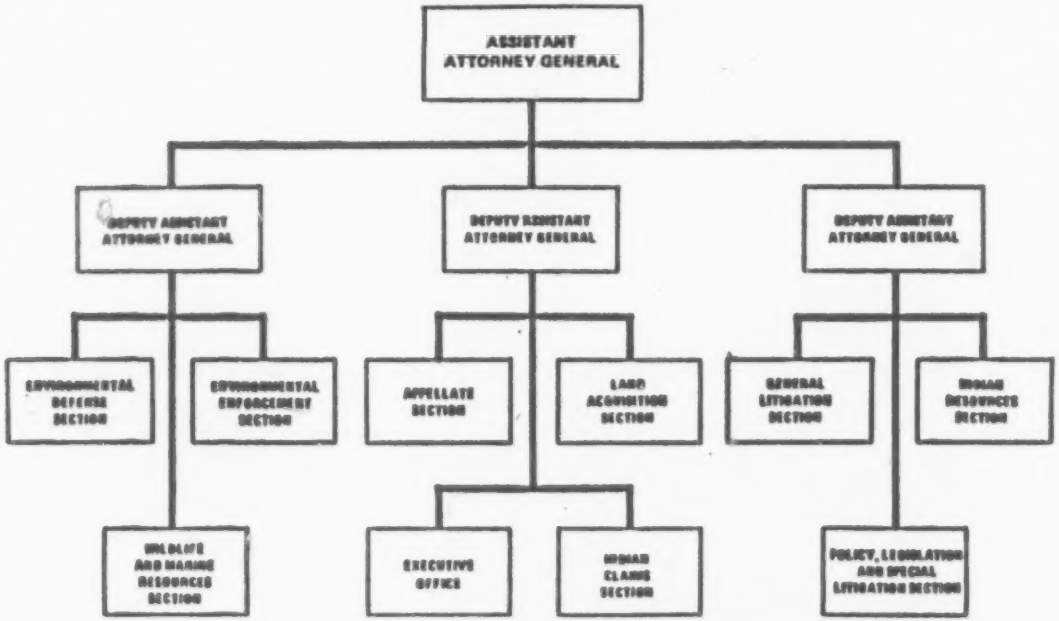
Civil Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985-1987

Category	1985 Authorized	1986 Authorized	1987	
			Program Increases	Total
Attorneys (905)	449	449	39	488
Paralegal Specialist (350)	42	42	12	54
Gen. admin., clerical, and office svc., etc. (300-399)	341	341	21	362
Total	832	832	72	904
Washington	774	774	72	846
U.S. Field	57	57	...	57
Foreign Field	1	1	...	1
Total	832	832	72	904

LAND AND NATURAL RESOURCES DIVISION



Approved William French Smith Date: 1/19/84
William French Smith
Attorney General

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional-Appropriation Actions on 1986 Request			1986 Appropriation Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
5. Land, natural resources and Indian matters									
a. Federal appellate activity	27	28	$1,535	...	...	-$8	27	28	$1,527
b. Land acquisition	39	35	2,677	...	...	-241	39	35	2,436
c. Environmental protection	134	132	8,942	...	...	-39	134	132	8,903
d. General litigation	110	111	7,505	...	...	-216	110	111	7,289
e. Management and administration	37	32	2,420	...	...	-23	37	32	2,397
Total	347	338	23,079	...	...	-527	347	338	22,552

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Action

Action by Congress includes a reduction of $418,000 in the request for relocation funds, a reduction of $96,000 in pay restoration and an unspecified reduction of $13,000.

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 appropriation enacted	347	338	$22,552
Savings resulting from management initiatives	-4	-4	-36
Uncontrollable increases:			
Within-grade increases	...	...	136
Health benefits costs	...	...	31
GSA rent	...	...	1,151
GSA recurring reimbursable services	...	...	5
Postal service increases	...	...	10
Telephone system line charges	...	...	99
Departmental printing and reproduction costs	...	...	4
GPO printing costs	...	...	5
General pricing level adjustment	...	...	189
Annualization of 1986 relocation amendment	...	...	415
Total uncontrollable increases	...	...	2,045
Decreases:			
Relocation	...	...	-337
FTS	...	...	-27
Total decreases	...	...	-364
1987 base	343	334	24,197

Estimates by budget activity	1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
5. Land, natural resources and Indian matters	347	325	$22,150	347	338	$22,552	343	334	$24,197	349	335	$24,345	6	1	$148

59-584 O—86——26

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Land, natural resources and Indian matters:																		
Federal appellate activity	27	28	$1,484	27	28	$1,488	27	28	$1,527	27	28	$1,635	27	28	$1,635	...	...	...
Land acquisition	39	35	2,185	39	34	2,205	39	35	2,436	39	35	2,651	34	30	2,426	-5	-5	-$225
Environmental protection	134	132	8,774	134	126	8,647	134	132	8,903	134	132	9,565	145	138	9,938	11	6	373
General litigation	110	111	7,393	110	107	7,290	110	111	7,289	110	111	7,852	110	111	7,852	...	...	...
Management and administration	37	32	2,601	37	30	2,520	37	32	2,397	33	28	2,494	33	28	2,494	...	...	...
Total	347	338	22,437	347	325	22,150	347	338	22,552	343	334	24,197	349	335	24,345	6	1	148
Allocation Workyears		67			76			87			87			87			...	
Total Workyears		405			401			425			421			422			1	
Other Workyears																		
Overtime		5			5			5			5			5			...	
Total compensable workyears		410			406			430			426			427			1	

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Land, natural resources and Indian matters	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	27	28	$1,527	27	28	$1,635	27	28	$1,635	...	...	...
Land acquisition.....	39	35	2,436	39	35	2,651	34	30	2,426	-5	-5	-$225
Environmental protection.....	134	132	8,903	134	132	9,565	145	138	9,938	11	6	373
General litigation.....	110	111	7,289	110	111	7,852	110	111	7,852	...	...	...
Management and administration.....	37	32	2,397	33	28	2,494	33	28	2,494	...	...	...
Total.....	347	338	22,552	343	334	24,197	349	335	24,345	6	1	148

This budget activity includes resources for the Land and Natural Resources Division, for personnel both at headquarters and field locations. Defensive and affirmitive environmental litigation, land condemnation, natural resource protection and Indian matters comprise the primary mission of the Division.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	27	28	$1,527	27	28	$1,635	27	28	$1,635	...	...	...

Long-Range Goal: To defend or assert the government's position in Land and Natural Resources Division cases in the appellate courts.

Major Objectives:

To file appeals from adverse decisions in all cases where appellate review is warranted.
To fully satisfy client agencies by formulating legal positions in the courts of appeals that best represent their interests.
To participate as amicus curiae in selected cases which have a significant impact on the positions and policies of the Division and its client agencies.
To provide the Office of the Solicitor General with initial drafts for those cases in which the unit has had appellate responsibility and which have reached the Supreme Court.

Base Program Description: This unit handles Land and Natural Resources Division cases that are appealed to federal Courts of Appeals or brought to the United States Supreme Court. The appellate program prepares briefs and provides oral argument on virtually all of the Division's cases on appeal. Litigation handled in the decision unit involves a wide variety of cases ranging from highly visible environmental matters to traditional government litigation concerning various federal property interests. For example, the unit is responsible for appellate litigation involving the National Environmental Policy Act, the Resource Conservation and Recovery Act, the Mineral Leasing Act, the Federal Land Policy and Management Act, the Outer Continental Shelf Lands Act, as well as cases pertaining to the federal law of eminent domain, Indian law and water law.

Another function of the appellate unit involves analyzing unfavorable district court decisions and preparing memoranda for the Solicitor General seeking authorization to appeal meritorious cases. This requires the solicitation and evaluation of recommendations regarding appeal from client agencies, trial sections, and United States Attorneys' offices, and is designed to screen from the overloaded courts of appeals those cases which do not warrant appellate review.

The unit also prepares initial drafts of briefs for Division cases which have reached the Supreme Court. This critical service enables the Solicitor General's office to keep pace with its responsibilities; that office freely admits that it could not function without assistance. Moreover, the consistency maintained by this arrangement enables the unit to better serve its client agencies, since draft briefs are formulated by the appellate attorneys most familiar with the facts and the legal issues.

Finally, Division-wide coordination of cases is a unique responsibility of the unit. Because all of the Division's cases on appeal pass through the appellate unit, it is in a position to effect such coordination. Frequently, matters on appeal will affect more than one trial section because of their overlapping legal significance. The unit attorneys, therefore, routinely serve in a clearing house function.

Accomplishments and Workload: The appellate unit has maintained its ability to achieve substantial success in its main objective of appellate advocacy. In a number of high-priority cases the courts have adopted the positions advocated by the unit.

Significant decisions arising under several environmental statutes included: Chemical Mfgs., Inc. v. NRDC, and EPA v. NRDC, where the Supreme Court reversed the Third Circuit's decision which had held that EPA was prohibited by the Clean Water Act

802

from issuing to individual dischargers "fundamentally different factor" variances from the pretreatment standards promulgated to control indirect dischargers of toxic pollutants through publicly-owned treatment works. In another case arising under the same statute, U.S. v. City of Kansas City, Kansas, the government prevailed in its argument in the Tenth Circuit that the district court lacked jurisdiction to award attorneys' fees under Section 505 of the Clean Water Act since the district court lacked jurisdiction to resolve Kansas City's underlying counterclaim upon which the City's request for attorneys' fees was based.

In an action filed by the State of New York under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund), State of New York v. Shore Realty, the Second Circuit adopted the United States' amicus curiae position that the federal government alone, and not the states, was granted authority to seek injunctive relief under CERCLA Section 107, 42 U.S.C. 9607. The unit also participated in a mandamus action in the court of appeals challenging the district court's authority in U.S. v. Conservation Chemical Co. to appoint a special master to hold evidentiary hearings and submit recommendations on all issues in a CERCLA injunctive relief action. The appeals court issued the writ and held that the district court erred in granting the special master authority to preside at the trial on the merits.

The unit resolved a number of significant cases involving Indian law, including Montana v. Blackfeet Tribe of Indians, in which the Tribe challenged the State of Montana's application of several Montana state taxes to the Tribe's royalty interests in oil and gas produced under leases issued on unallotted reservation lands under the 1938 Indian Mineral Leasing Act. The Supreme Court held that, in the absence of clear congressional consent, a state may not tax Indian royalty income from leases issued pursuant to the 1938 Act. In Mountain States Telephone and Telegraph v. Pueblo of Santa Ana, a suit by an Indian Pueblo seeking trespass damages against the telephone company for a telephone line the company built in 1928 and used until 1980, the Supreme Court reversed both the district court and the Tenth Circuit, and ruled that the 1924 Pueblo Lands Act authorized such a conveyance of Pueblo land, with the Secretary's approval.

Item	1984	1985	Estimates 1986	Estimates 1987
1. Cases/Matters pending, beginning of year.....	826	841	967	987
2. Cases/Matters Received.....	342	423	420	420
3. Workload Production Estimates:				
a. Cases/Matters Closed.....	327	297	400	400
b. Briefs Filed.....	334	277	360	360
c. Oral Arguments.....	154	122	165	165
d. Memos for Solicitor General.....	158	150	175	175
e. Substantive Motions.....	184	207	190	190
4. Cases/Matters pending, end of year.....	841	967	987	1,007

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Land acquisition.....	39	35	$2,436	39	35	$2,651	34	30	$2,426	-5	-5	-$225

Long-Range Goal: To obtain real property necessary for public purposes through condemnation proceedings which exercise the sovereign power of eminent domain.

Major Objectives:

To secure the lowest possible compensation awards consonant with fairness to both landowners and the government.
To achieve and maintain a current status in the condemnation caseload (i.e., to reduce the pending caseload to the point where the backlog does not exceed annual input and to maintain that balance thereafter).

Base Program Description: By means of the land acquisition program, lands that are needed for Congressionally authorized public purposes, but which requesting agencies are unable to acquire by direct purchase, are obtained through the institution of condemnation proceedings in which compensation is determined and awarded to the property owners. Acquisition by condemnation is a means of last resort; acquiring agencies are required by law, to the greatest extent practicable, to make every reasonable effort to acquire property by negotiation before requesting condemnation. A top priority is to move these high-exposure cases expeditiously and in the best interests of the United States.

The unit condemns land for a myriad of federal public purposes authorized by Acts of Congress. Examples include the improvement and protection of navigable waters, flood control, military facilities, national parks, forests, lakeshores and seashores, scenic and wild river systems, reclamation and irrigation of arid lands in the western states, electric power generation and transmission facilities, wildlife preserves, airports and air traffic control facilities, international boundary stabilization, strategic petroleum reserve storage facilities, nuclear waste storage facilities, and buildings, offices and facilities for federal agencies. Unless the government is able to acquire these lands by an exercise of the power of eminent domain through condemnation proceedings, the public purpose for which the lands are necessary would be frustrated.

Particular cases involving significant monetary exposure include the Redwoods National Park expansion cases in California. These three consolidated cases involve the acquisition of 49,000 acres of redwood timberland for the National Park Service. The government has deposited $358 million as estimated compensation, while owners' claims are about $750 million. Another significant case is the East Lynn Lake project case in West Virginia, an acquisition of 16,286 acres of coal land for the Corps of Engineers. The government has deposited $4.7 million against the owner's claim of approximately $50 million. In a case in Texas involving the acquisition of 243 acres for the Department of Energy's Strategic Petroleum Reserve project, the government deposited $11.1 million, and faces claims of $35 million.

The following legislation and Department orders authorize and support this program:

(1) 40 U.S.C. 257 - requires the Attorney General to file and prosecute condemnation actions to acquire lands for federal public purposes.

(2) 40 U.S.C. 255 - requires the Attorney General to issue an opinion as to the sufficiency of title to land for the purposes for which the property is being acquired, in direct purchase acquisitions.

(3) Subpart M, Chapter I, Section 0.65, Title 28, Code of Federal Regulations — contains assignment from the Attorney General to the Assistant Attorney General of the Land and Natural Resources Division of the matter set out in (1) above.

(4) Subpart M, Chapter I, Section 0.66, Title 28, Code of Federal Regulations -- contains assignment from the Attorney General to the Assistant Attorney General of the Land and Natural Resources Division of the matter set out in (2) above.

(5) Manual of Organization, Operations and Procedures, Land and Natural Resources Division, Part I, Section B.5(b) - delegates to this decision unit authority to conduct the prosecution of all federal condemnation proceedings.

(6) 40 U.S.C. 258(a) - Declaration of Taking Act -- authorizes the vesting of immediate title and possession to the United States.

Accomplishments and Workload: In 1985, the Land Acquisition Section handled claims of over $331.9 million for property which government appraisals valued at $78.2 million. This difference of $253.7 million was the critical issue in the Section's lawsuits. During this fiscal year, courts have awarded judgments in these cases totalling $90.9 million, representing a savings of $241 million achieved by the decision unit. By comparison, the savings achieved in 1984 totaled $59 million. The amount of money at issue in the currently pending tracts is over $1.3 billion dollars -- the difference between the landowners' known claims of $2.01 billion and the government's appraisals of $629 million. (Landowners' claims are unknown in 55 percent of the pending cases.)

For the last three years the number of tracts received from the National Park Service has been small, a situation that is expected to continue. The unit's current major client, the Corps of Engineers, anticipates that land acquisition will continue at current levels. The estimate of tracts closed is expected to remain at the decreased level through 1987. The decrease is due to the near completion of the Big Cypress National Preserve project in Florida. This project alone generated over 12,000 tracts in the last eight years through its large-scale settlement program and mass trials.

Two workload indicators have been added to cover the efforts of the Title and Appraisal Units. Two attorneys comprise the Title Unit. Their principal duty is to review the sufficiency of title in direct purchase acquisitions, a function mandated by 40 U.S.C. 255. Two appraisers comprise the Appraisal Unit, which is responsible for both desk and field appraisal reviews.

	1984	1985	Estimates 1986	1987
Tracts Received	910	895	1,000	1,000
Tracts Closed	3,804	3,021	2,000	1,700
Tracts pending, end of year	8,752	6,626	5,626	4,926
Title Unit 1/				
Preliminary opinions of title prepared	N/A	179	180	180
Final opinions of title prepared	N/A	247	250	250
Agency delegated title opinions reviewed	N/A	1,548	1,500	1,500
District court title hearings (tracts)	N/A	0	35	35
Appraisal Unit 1/				
Appraisal reviews (tracts)	N/A	854	850	850
Performance Estimates				
Percentage by which judgments exceeded government's appraisal/testimony	41%	16%	23%	21%
Percentage of total dollar claims in excess of conceded liability saved	69%	95%	92%	93%

1/ Workload data for the Title and Appraisal Units were not maintained prior to 1985.

Actual Performance Data Expressed in Dollars:	1984	1985
Owner's appraisal/testimony ("claims")	$150,817,000	$331,993,000
Government's appraisal/testimony ("conceded liability")	64,861,000	78,295,000
Judgments	91,797,000	90,929,000
Amount by which judgments exceeded government's appraisal/testimony	26,936,000	12,634,000
Amount of total claims in excess of conceded liability	85,956,000	253,699,000
Amount of total claims in excess of conceded liability saved	59,020,000	241,064,000

Program Changes: The Division is requesting a decrease of 5 positions, 5 FTE workyears and $225,000 for the Land Acquisition decision unit. This initiative is prudent since, by 1987, the Section's workload will have decreased to a point where additional staff provide diminishing returns. The unit continues to reduce the number of pending tracts, now estimated to be 4,926 at the end of 1987. Because the court system has not reached a level of efficiency that will permit all cases to be disposed of as quickly as they are received, nor can complicated cases be readied for trial in a short time, there will be a

certain level of pending tracts that will be normal--an irreducible minimum. The unit estimates that this minimum level of pending cases in the range of 3,000 to 4,000 tracts will be reached in 1989. These will largely consist of more valuable and therefore more time consuming cases.

Additionally, as part of the initiative for "... systematic review and application of sound management techniques ..." called for in Management of the United States Government, Fiscal Year 1986, the Division will conduct a comprehensive management efficiency review of the Land Acquisition Section. The review, scheduled for completion in 1986, will encompass staffing, space, workflow, administrative functions and the use of automation. Particular emphasis will be placed on the use of outside contractors, client agency staff, or paralegals for the numerous administrative tasks now performed by Section attorneys. Since the Land Acquisition Section has a wide range of administrative responsibilities, Division management expects the review to identify areas in which routine Section activities can be streamlined.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Environmental protection.....	134	132	$8,903	134	132	$9,565	145	138	$9,938	11	6	$373

Long-Range Goal: To successfully conduct the enforcement litigation necessary to achieve pollution, hazardous waste and radiation standards mandated by Congress. To investigate and prosecute criminal violations of the nation's environmental laws, particularly in the area of hazardous waste dumping. To defend agencies of the United States sued in connection with regulatory and other activities affecting the environment and public health. To reduce illegal international trade in wildlife, fish and plants by prosecuting criminal violators of the United States' wildlife and Customs laws, and to provide quality representation to federal agencies in defense of wildlife management and related regulations and programs.

807

Major Objectives:

To conduct effectively the enforcement litigation cases which are referred to the Lands Division by federal agencies.
To implement a successful enforcement program to maintain voluntary compliance among all regulated industries and induce privately-financed clean up of existing hazardous waste dump and storage sites and to abate certain radiation hazards.
Coordinating and working closely with state and local enforcement agencies, to handle collateral suits to allow agency enforcement programs to operate effectively and without undue delay.
To maintain the rational, coherent operation of agency programs through sustaining agency actions in court.
To bring suits against corporate violators on a national basis when this is more efficient and effective than dealing with their pollution problems on a piecemeal regional basis.
To obtain a large portion of monetary and injunctive relief sought in cases brought by this unit.
To increase criminal prosecution of serious environmental offenses.
To recover monies spent by or on behalf of federal agencies for damages to natural resources within their control.

To create a capability for and an atmosphere conducive to negotiated settlement of disputes where such an approach can provide swifter and more certain relief, and ease the courts' litigation burden.
To defend client agencies' rules and regulations in order to uphold agency discretion and the integrity of those agencies' programs.
To defend client agencies whose facilities and activities are the subject of environmental litigation initiated by states, municipalities, or private individuals and organizations.
To handle suits to enforce agencies' information requests necessary for effective and timely program operation.
To sustain administrative orders and permits issued by client agencies in furtherance of the agencies' programs and mandates.
To improve enforcement of laws relating to trade in wildlife, fish and plants.
To coordinate and conduct investigations, and successfully prosecute major commercial dealers illegally trafficking in wildlife, fish or plants.
To seek and obtain stiff penalties and incarceration for persons who engage in illegal wildlife or plant trade.
To supply quality representation to client agencies and litigative support necessary to defend the administration of civil programs affecting wildlife, fish and plants.
To revise and improve wildlife forfeiture procedures.

Base Program Description: The Environmental Protection program is comprised of the Environmental Enforcement, Environmental Defense and Wildlife and Marine Resouces Sections. The Environmental Enforcement Section conducts litigation to support the control, abatement and reduction of pollution to the nation's air and water resources; the abatement and control of hazardous waste dump sites; the control, abatement and reduction of unauthorized dredging and filling in the navigable waters of the United States; the regulation and control of pesticides and noise; the regulation of toxic and hazardous substances; and miscellaneous matters pertaining to nuclear power. This program entails both civil litigation on behalf of our client agencies, principally the Environmental Protection Agency, the Army Corps of Engineers, the Coast Guard, the Departments of the Interior, Defense, Commerce, and Agriculture, the Federal Emergency Management Agency, and the Nuclear Regulatory Commission, and criminal litigation under the various pollution control statutes. The primary statutes enforced include the Clean Air Act (CAA); the Clean Water Act (CWA); the Resource Conservation and Recovery Act (RCRA); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund); the Safe Drinking Water Act (SDWA); the Toxic Substances Control Act (TSCA); and other miscellaneous environmental statutes including the Rivers and Harbors Act; the Marine Protection Research and Sanctuaries Act; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA); and the Uranium Mill Tailing Radiation Control Act.

Civil cases are referred to the Section by client agencies, which are responsible for initial case investigation and development and for determining the appropriate technical remedy. A Section attorney acts as lead counsel for the government, which involves devising case strategy, and litigation planning, management, and execution. Cases typically involve significant discovery and motions practice. Under the Clean Air and Clean Water Acts, civil actions seek either injunctive relief or civil penalties for violations. The RCRA regulatory program, which requires producers of hazardous waste to dispatch wastes only to facilities with operating permits, may be enforced through an administrative hearing process or through litigation in the federal courts.

For many hazardous waste sites, the government is either the owner of the site or has been a significant generator of hazardous waste. These sites have been handled in either of two ways. If the agency has used its own funds to clean up the site, the Section will commence an action for recovery of the government's costs against other responsible parties under Superfund. In other instances the Section has, on behalf of the agency, commenced an action for injunctive relief, cost recoupment and/or damage to natural resources utilizing Superfund and state common law claims.

The criminal enforcement initiative, first established in 1982, continues to receive favorable public support and Congressional interest. In October 1982, EPA's criminal investigative unit became operational with the direct encouragement of the Lands Division. To support criminal cases referred by the Environmental Protection Agency, an Environmental Crimes Unit (ECU) was developed within the Division's Environmental Enforcement Section, and staffed by attorneys experienced in both criminal and environmental law. These criminal cases are legally and technically complex, typically require a significant amount of investigation by a grand jury, and often present novel issues peculiar to this specialized field.

The Environmental Defense Section's major clients are the Environmental Protection Agency, the Army Corps of Engineers and the Coast Guard. The Section also is responsible for representing all Federal agencies sued for violations of federal, state and local laws governing the abatement and control of pollution. The Section's work encompasses defensive litigation under the same range of statutes as the Environmental Enforcement Section.

Litigation on behalf of EPA comprises the major portion of the Defense Section's workload, and is divided between cases filed in the courts of appeals and district courts. The cases in the courts of appeals typically involve challenges to: 1) EPA rules and regulations promulgated under various statutes such as the Clean Air Act, Clean Water Act and Resource Conservation and Recovery Act (RCRA); 2) EPA's approval or disapproval of programs delegated to the states for implementation pursuant to federal statutes (e.g., approval of state plans to control air pollution or state programs to implement RCRA); and 3) grants or denials of individual permits to engage in certain activities (e.g., permits to discharge pollutants into waters of the United States). The litigation consists of briefs filed by the parties attacking the adequacy of EPA's action, a brief filed on EPA's behalf defending its action, and oral argument before a three-judge panel. District court litigation involving EPA generally consists of all other cases which cannot be filed directly in the courts of appeals. These cases range from suits to compel EPA to implement regulatory programs required by various statutes, to cases seeking to block EPA enforcement initiatives, to challenges to the agency's allocation of grants to construct publicly-owned sewage treatment plants. Depending on the nature of individual cases, the litigation may consist of preparing briefs in support of motions to dismiss a case prior to trial, or an extensive trial on the merits after a lengthy period of discovery by both sides. All petitions for review in the courts of appeals are handled by attorneys in this Section; there is no involvement by United States Attorneys. The vast majority of district court litigation also is handled by Section attorneys, due primarily to the specialized nature of the district court work.

Litigation conducted on behalf of the Corps of Engineers involves both defensive cases in the district court, in which a party challenges national regulations or permits issued by the Corps, and enforcement actions in which the government prosecutes a party for violations of the statutes administered by the Corps. All litigation for the Coast Guard takes place in the Claims

608

Court. The Clean Water Act provides that the owner or operator of a facility from which a hazardous substance has been discharged may sue the United States for cleanup expenses under certain circumstances. Since the Coast Guard has the responsibility for investigating spills from facilities, it is regarded as the client agency. These cases are handled exclusively by Section attorneys on behalf of the United States.

The final category of defensive litigation involves federal agencies charged with violations of federal, state, or local laws governing the abatement and control of pollution. Although cases involving the Department of Defense and the Department of Energy constitute the majority of the cases on the docket, a wide variety of agencies have been represented, ranging from the Veterans Administration to the Federal Reserve Bank. These "federal facilities" cases are enormously complex, highly technical, and involve massive potential monetary exposure. The need for close coordination with client agency management and the extremely time-intensive process of factual review, research, scientific analysis and legal strategy development dictate that "federal facilities" cases be litigated by Environmental Defense Section staff.

The Wildlife and Marine Resources Section handles civil and criminal litigation to halt the growth of illegal wildlife and plant trade. The total value of illegal trade in wildlife is estimated at $50 to $100 million each year. Most of this trade is accomplished through falsification of the documents that must accompany wildlife imports. A lesser but still substantial percentage of the trade is accomplished through smuggling. Profits are staggering; for example, as demonstrated by a recent international enforcement action, certain types of falcons purchased illegally in the United States for $10,000 sell for up to $100,000 in the Middle East.

Violations of wildlife laws often involve complex interstate and international investigations, and are treated as major "white collar" crimes, meriting substantial criminal penalties. Among the statutes under this activity's jurisdiction are the Endangered Species Act, Lacey Act, Fishery Conservation and Management Act, Marine Mammal Protection Act, Airborne Hunting Act, Migratory Bird Treaty Act, Bald and Golden Eagle Act, and the customs laws. The Section also has the important responsibility of representing the Federal Government in many civil actions arising under the nation's wildlife laws. Actions under these laws often affect projects of major economic and environmental importance to the nation, such as oil refineries, dams, mineral leasing activities and real estate developments.

Accomplishments and Workload: Recent initiatives of the Environmental Enforcement Section include the enforcement of the Clean Air Act and Clean Water Act against state and local governments, continued enforcement of the Clean Air Act against the steel industry, initiation of Toxic Substances Control Act enforcement, the beginning of new Resource Conservation and Recovery Act litigation, and the representation of clients other than EPA in the hazardous waste area. In 1984 and 1985, water pollution enforcement continued to comprise a significant part of the Section's overall enforcement program. One-hundred and six CWA and Safe Drinking Water Act cases were referred in 1985. EPA has placed major emphasis on litigation against substandard publicly-owned sewage treatment works (POTWs) and against industrial entities for violation of the categorical pretreatment standards, and actions against industrial National Pollutant Discharge Elimination System (NPDES) permit violators also have continued.

810

In 1985, the Section resolved two major Clean Water Act pretreatment cases on behalf of EPA. They are U.S. v. General Motors and U.S. v. Chrysler Corp. Eight complaints were filed in separate United States District Courts throughout the country on August 27, 1984 in U.S. v. General Motors, alleging violation of Section 307 of the Act resulting from the failure of eight General Motors plants to meet the electroplating pretreatment standards deadline of June 30, 1984. Consent decrees were lodged that same day which resolved the issues raised by the complaints. Specifically, the decrees required General Motors to undertake long-term construction projects at each of the eight plants, to employ interim measures in an effort to meet the standards prior to completion of the long-term construction, and to pay stipulated penalties for any compliance failures after June 30, 1984. After the 30-day public comment period, the consent decrees were entered by the courts. These filings constituted the first effort by the government to enforce electroplating pretreatment standards. In U.S. v. Chrysler Corp., three plants failed to meet the June 30, 1984 deadline for compliance with the CWA's pretreatment standards for electroplating point sources. Settlement negotiations have resulted in Chrysler agreeing to: (1) pay a $1.5 million up-front penalty for its one year of non-compliance; (2) pay large stipulated penalties if it fails to come into compliance at the three plants; (3) monitor its discharges three times per week over the life of the decree and report the results to EPA, and (4) take specified interim measures to reduce heavy metal discharges prior to coming into final compliance. The consent decree was filed with the complaint in February 1985.

Other enforcement activities against municipal violators have been actively pursued. A consent decree was entered in U.S. v. District of Columbia against the District of Columbia for violation of the District's NPDES permit, concerning Blue Plains Sewage Treatment Plant. The United States obtained all the relief it sought without litigation and avoided a potentially sensitive lawsuit. The District agreed to undertake expensive, long-term personnel increases necessary to maintain a critical sewage treatment facility and also paid a significant monetary penalty. Injunctive relief and civil penalties for Clean Water Act violations of an NPDES permit relating to a publicly-owned treatment works were also sought in U.S. v. St. Bernard Parish, in which settlement has been reached and a consent decree entered. The Parish filed a "Notice of Inability to Comply with Consent Decree", raising a financial impossibility argument. The District Court was persuaded that this argument was inconsistent with the legislative history: namely, that municipalities should comply regardless of whether federal grant funds are available.

Significant settlements also were reached in a number of Clean Water Act enforcement cases against municipalities which had not met or did not expect to meet statutory deadlines for installation of secondary treatment technologies. In each case, municipalities agreed to install significant pollution controls and/or pay significant civil penalties to the Treasury. These settlements included U.S. v. Mill Creek ($900,000 penalty); U.S. v. Jefferson Parish, La. ($170,000 penalty); U.S. v. Garland, Texas ($160,000 penalty); U.S. v. City of Pasadena ($170,000 penalty); and U.S. v. Wyoming Valley, Pa. ($127,000 penalty).

Clean Air Act enforcement also remained a priority of the Section during 1984 and 1985. The Section filed 70 Clean Air Act enforcement actions in 1984; 89 more in 1985. Enforcement against major stationary sources is a primary component of the air enforcement strategy. In U.S. v. Lehigh Portland Cement Co., the Court denied the defendant's motion to dismiss an enforcement action for violations of the Iowa State Implementation Plan's limitations on fugative dust despite serious legal arguments by the defendant. The case establishes that EPA may bring an enforcement action even though state authorities took previous enforcement action for the same violations. This is referred to as "overfiling" the state. EPA may

wish to overfile where the state has obtained less relief than EPA considers necessary. This also gives the government a legal basis to disregard weak or sweetheart state settlements. This decision also established that Clean Air Act notices of violations are sufficient if sent to a plant manager, and that copies of the notice need not necessarily be sent to senior company officers. A similar result was recently achieved in U.S. v. SCM Corp., an air enforcement action in Maryland against a major stationary source. There, too, the District Court denied defendant's motion to dismiss ruling that the EPA may pursue relief despite the state's actions. Significant Clean Air Act trials included U.S. v. St. Joe Resources, which resulted in the payment of $2.2 million in penalties and costs and the installation of sulfur dioxide pollution abatement equipment, and U.S. v. City of St. Louis, in which judgment was granted for the United States on liability for chronic particulate emissions violations at two refuse incineration facilities.

There also has been increased emphasis on enforcement actions of the National Emission Standards for Hazardous Air Pollutants (NESHAPS), with 19 NESHAPS cases filed in 1985. The Section continued to pursue violations of the NESHAPS for vinyl chloride, as well as expanding its asbestos enforcement. For example, a consent decree has been entered in U.S. v. Kansas City Power & Light. This case involved violations of the asbestos NESHAPs in connection with renovation of boilers at one of the defendant's generating stations. This case is being used as a precedent in seeking significant penalties for violations of the asbestos NESHAPs, including notification requirements. The Section expects to dedicate significant resources to prosecuting so-called asbestos-NESHAPS cases. Of particular concern are those cases involving violations of asbestos regulation in schools. On January 11, 1985, the Section filed 11 such cases seeking civil penalties and injunctive relief for violation of the asbestos NESHAPs.

Enforcement against steel companies continued, and in particular those that have failed to comply with comprehensive consent decrees entered under the Steel Industry Compliance Extension Act of 1981. Recently, several contempt actions have been necessary to enforce these decrees and others in the steel industry. For instance, U.S. v. Wheeling-Pittsburgh involves a comprehensive clean air consent decree which was modified during steel stretchout. A motion alleging contempt violations of the consent decree for the Folansbee, West Virginia coke ovens was filed on July 2, 1984. Wheeling-Pittsburgh Steel Corporation filed a response to our contempt action on August 6, 1984. Trial on the contempt action began on March 11, 1985, in the U.S. District Court for the Western District of Pennsylvania.

The Environmental Enforcement Section also had increased activity under the Toxic Substances Control Act in 1984 and 1985. The judicial action commenced in 1984 continued against Commonwealth Edison Company, seeking cleanup of numerous northern Illinois sites contaminated by polychlorinated biphenyl (PCB) fluids discharged from pole-mounted electrical equipment. Many of these discharges occurred on residential properties and pose the threat of injury to area residents. The Section was successful in filing a complaint and motion for preliminary injunction in another TSCA proceeding, U.S. v. Sugarhouse. As a result, the defendant consented to cleanup the abandoned facility, which was frequented by children, where 540 gallons of toxic PCB transfomer oil had been spilled. The Environmental Enforcement Section expects to settle two other TSCA matters Cannelton Coal Company, which involves a PCB spill in a mine, and Interstate Transformer Co., a civil contempt action for violation of a consent decree which required compliance with the PCB regulations at a facility where PCBs were stored improperly.

In U.S. v. ILCO, Inc., a RCRA complaint was filed seeking inter alia injunctive relief for regulatory violations at two hazardous waste disposal sites. The government also filed a preliminary injunction motion to enjoin the spread of lead contamination at these sites. Of particular concern was the elevated lead level found in the bloodstreams of workers and children in the surrounding community. Prior to the hearing on the motion, the defendants agreed to undertake essentially all of the measures requested, and entered into a consent decree. Permanent relief remains to be litigated. Because the principal defendant in this case is a debtor in a Chapter 11 bankruptcy proceeding, the government was required to brief a number of novel bankruptcy issues of critical importance before the court would consider the merits of the government's motion for preliminary relief. In May of 1985, the Court resolved all of these issues in the government's favor. Other RCRA cases include U.S. v. Sanders Lead, which raises issues similar to ILCO and will be filed this Spring, and U.S. v. Hudson Refinery, in which enforcement is sought of two RCRA Administrative Orders requiring study and cleanup of waste lagoons and oil tanks in Oklahoma.

The Section continued to work on U.S. v. Shell Oil Co., an enforcement action filed on behalf of the Army to recover from Shell Oil Co., a lessee at the Army's Rocky Mountain Arsenal near Denver, Colorado, a fair share of the costs of cleanup of contamination of soil and groundwater at the Arsenal. Total cleanup costs have been estimated to be as high as $1.6 billion. Over a 40-year period, Shell pesticide manufacturing operations at the Arsenal together with Army activities, including the manufacture of chemical warfare weapons, have caused widespread contamination of the environment, particularly groundwater, at and around the Arsenal. U.S. v. Shell Oil Co. asserts claims under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") Section 107 for response costs incurred and natural resources damage, as well as contract, tort, and other common law claims. State of Colorado v. United States and Shell Oil Co., also filed on December 9, 1983, asserts a claim against the Army and Shell on Section 107 of CERCLA for damages to natural resources alleged to be under the trusteeship of the state. The two cases were consolidated by court order. The Remedial Investigation/Feasibility Study is expected to be completed in March 1987, and the final trial is expected in mid-1987. Discovery is in progress and will be continue until the final trial.

In the past four years, the Division has progressively expanded the use of computers in case preparation. The benefits of this automated litigation support can be seen in U.S. v. Shell Oil Co., in which over one million pages have so far been screened and microfilmed at 10 locations nationwide. A document center has been established to support the litigation team of attorneys and expert witnesses, both locally and in the field. The document center staff, working with over 50 filing cabinets of documents and 500 reels of microfilm, can manipulate the database in response to requests from attorneys and paralegals to identify and locate specific papers. End-to-end, the documents in this case would stretch 208 miles. The use of automation has brought this enormous collection under control, permitting the ten Division attorneys assigned to the case to focus on strategy and direction, and not on paper management. This extensive information retrieval system has proven essential to the conduct of both offensive and defensive discovery. In addition, the assembled case file was invaluable in preparation of the government's successful opposition to Shell's motions to dismiss. After extensive briefing and oral argument on these motions, the District Court agreed with the government that its claims were properly founded. Of particular significance both to this and other litigation handled by the Section was the Court's holding that cleanup expenditures incurred by the United States prior to enactment of CERCLA (here totalling in excess of $40 million) are recoverable.

The Environmental Crimes Unit continued to record notable accomplishments, with over 100 indictments returned and over $1.5 million in fines levied during 1985. Three officers of Drum Recovery, Inc., were sentenced in Oregon for numerous violations of TSCA, Superfund, and the Hazardous Materials Transportation Act (HMTA). The president of the corporation was sentenced to a one-year prison term on the Superfund count, five years probation on the HMTA count and was ordered to pay a final third of the cleanup as restitution. As part of his probation, the president was prohibited from engaging in the hazardous waste business for five years. The vice-president of the corporation was sentenced to a 90-day jail term, five years probation and also ordered to make a one-third restitution. In U.S. v. Cairns, the president and several officers of one of the largest wood preservative companies were convicted of illegally dumping hazardous wastes into Puget Sound. The company was fined $1 million, of which $850,000 was suspended and placed in a trust fund to clean up the site, three individuals were fined $42,000, and the company president was sentenced to a 60-day jail term. In the first major case involving "knowing endangerment" under RCRA, indictments were returned in Florida against the owner of four hazardous waste disposal companies for illegal disposal and fraud. The Johnson and Towers case was successfully resolved in the government's favor after an appeal of the District Court's dismissal of counts limiting the individuals who could be charged with discharging hazardous wastes without a permit. On May 23, 1985, a ten-count indictment was returned against Eric D. Roth alleging criminal violation of the Clean Water Act and Title 18, including criminal mail fraud and false statement. Roth pleaded guilty August 1, 1985 to one felony and two misdemeanors.

The Environmental Defense Section's major accomplishments are best represented by a review of some of the significant litigation conducted during 1984 and 1985. In Chevron v. NRDC, the Section successfully defended EPA's major regulatory reform effort under the Clean Air Act, known as the "bubble" concept. So long as total emissions from an industrial plant do not exceed prescribed limits, the company may decide which pollution sources within the plant should be controlled, based on considerations of cost and technical feasiblity. The Supreme Court unanimously upheld EPA's approach in the Chevron case. Moreover, the Court's opinion strongly reaffirmed that the lower courts must give great deference to federal agencies' interpretations of the statutes they administer. This forceful statement not only aids this Section's work on behalf of EPA, but also supports the Justice Department's defense of other agency programs throughout the federal government.

Two other major Supreme Court victories involved constitutional challenges to EPA's regulation of pesticides under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). In Ruckelshaus v. Monsanto, the Court upheld FIFRA's data-consideration scheme against Monsanto's argument that it worked a "taking" of property without compensation. And in Thomas v. Union Carbide, the Court sustained FIFRA's binding arbitration system for resolving disputes over compensation for data originally developed by another manufacturer. Taken together, these two decisions remove a major backlog of litigation that was hampering EPA's implementation of FIFRA.

Further accomplishments include the defense of EPA's implementation of the hazardous waste regulatory program under RCRA. The Section recently filed a major brief in support of EPA's new definition of "solid waste," which permits EPA to regulate companies that recycle hazardous wastes. On the eve of the November 8, 1985 compliance deadline for facilities that dispose of hazardous waste on land, the Section defeated a last-ditch attempt by the industry to have the court extend the deadline even further. Finally, the Section is now defending a large number of site-specific RCRA decisions by EPA, such as permitting, issuance of closure plans, and enforcement activities.

The Defense Section also has responsibility for enforcing some provisions of the Clean Water Act and the Rivers and Harbors Act, both of which deal with the discharge of dredged and fill materials into wetlands and other waters of the United States. Among the major victories in this area were U.S. v. Tull, in which the Fourth Circuit required complete restoration of a sensitive wetland area of Chincoteague Island and upheld a $75,000 civil penalty, and U.S. v. MCC of Florida, in which the Eleventh Circuit upheld an order requiring the violator to provide a fund for mitigation of the damage caused. The Government recently won a major victory in the Riverside Bayview case, where a unanimous Supreme Court upheld the Army Corps of Engineeers' definition of "wetlands" in a sweeping opinion. In U.S. v. Conrad, an award of a $100,000 penalty and complete restoration of wetlands was upheld on appeal. Substantial fines and penalties in these cases play an important role in encouraging voluntary compliance with the law.

Another Supreme Court case involves limits on EPA's discretion to grant variances under the Clean Water Act. In CMA v. NRDC, the Section defended EPA's interpretation of the statute. The high Court upheld EPA's decision to grant variances to companies whose operations are fundamentally different from other plants in the same industry.

Other significant victories include American Mining Congress v. EPA, which sustained EPA's radiation control standards under the Uranium Mill Tailings Control Act; Western Oil and Gas Association v. EPA, which sustained EPA's designation of nonattainment areas under the Clean Air Act; State of Washington v. EPA, which upheld EPA's approval of the state hazardous waste program under the Resource Conservation and Recovery Act; Dow Chemical Co. v. EPA, which upheld EPA's aerial inspections of Dow's plant in Midland, Michigan; and General Motors Corp. v. Ruckelshaus, which confirmed EPA's authority to order the recall of classes of automobiles that violate emissions standards under the Clean Air Act. The Supreme Court now has granted review in the Dow case.

The Defense Section has also achieved several major victories in defending federal facilities against suits brought by states and by citizen groups. In State of New York v. Department of the Air Force, the court ruled that the Air Force is not subject to New York's regulations on contamination. In Kelley v. U.S. Coast Guard, the court also held that the Coast Guard need not comply with Michigan's "public nuisance" laws on water pollution. These rulings will help minimize the liabilities of many other federal facilities around the county.

The Wildlife and Marine Resources Section has in the last year committed a large portion of its staff to the prosecutions of traffickers dealing in falcons and other birds of prey. So far, convictions have been obtained against 40 defendants. The story which has been revealed by these prosecutions, U.S. v. Ciesielski, et al.; U.S. v. Luckman, et al.; U.S. v. Decarnelle, et al., shows the existence of extraordinary black markets in which endangered and threatened birds command as much as $100,000 per bird in Europe and in the Middle East.

The unit concluded many of the "Operation Trophykill" cases developed by the Fish and Wildlife Service, including U.S. v. Niblett, et al. in Colorado and U.S. v. Ellison, et al. and U.S. v. Pike in Montana. These cases have focused on illegal big game hunting in and around Yellowstone National Park, the illegal trophy making, taxidermy and trade in rare game animals, and the processing and traffic in so-called orientalia -- items such as bear paws for market in the Far East. The two most culpable defendants were sentenced to the longest prison terms ever imposed for wildlife violations (10 and 15 years), due in part to the widescale nature of their illegal activities and past history of wildlife violations.

Program Changes: For 1987, the Division is requesting an increase of 11 positions, 6 workyears and $373,000 for defensive environmental litigation.

In 1986 and 1987, the Division expects increased defensive litigation as a direct result of the 1984 RCRA amendments. While EPA views RCRA compliance as the Agency's No. 3 priority, historically, there has been almost no RCRA regulatory caseload. However, in view of considerable public concern, EPA has publicly committed to substantially increasing RCRA program resources, thus, with the 1984 amendments, EPA's increased enforcement activity should result in increased judicial enforcement The 1984 RCRA amendments are among the most sweeping environmental law provisions passed in recent years and have the following key elements which should increase the defensive workload base:

1) Numerous bans were established on land disposal of hazardous wastes. For example, certain solvents and dioxins will be banned from landfills beginning in November 1986 and certain metals, PCBs and halogenated organics will be banned beginning in July 1987.

2) A new program to regulate the burning and blending of hazardous waste in fuel must be established by November 1986.

3) The amendments greatly increase the scope of RCRA to cover releases of hazardous substances regardless of the time placement of substances on the facility and beyond facility boundaries. This is to be implemented both by permits and interim status "corrective action orders." EPA estimates that over 2,000 sites will be candidates for use of this authority, a pool of cases bigger than CERCLA's "remedial action" programs.

4) A new Subtitle I was established to regulate underground storage tanks of both hazardous substances and petroleum. The program will be hampered by the fact that underground tanks cannot be entered for inspection.

5) As of November 1985, the amendments terminated the interim status of unpermitted land disposal facilities 12 months after enactment unless the facility (1) completes the submission of its permit application and (2) certifies its compliance with any groundwater monitoring and financial responsibility requirements.

6) The amendments expand the class of regulated generators and the amount of hazardous waste subject to regulation, by requiring EPA to initially regulate "small quantity" generators by March 31, 1986, and thereafter additional requirements go into effect. There may be over 100,000 new regulated entities in this area.

7) The amendments provide for regulation of used oil as a hazardous waste.

8) A new regulatory program for the export of hazardous wastes was created.

816

Although the Division anticipates a significant increase in the number of defensive actions in 1987, increased staff needs are due more to the rapidly increasing complexity of cases than to a mere increase in numbers of cases. The defensive district court docket in "federal facility" cases has traditionally consisted of cases which have been handled by dispositive motion, with little discovery, trial time, or settlement negotiation time required. By contrast, the Section now has 45 district court cases alleging violations by federal agencies of environmental laws; 4 major CAA cases, 13 CERCLA cases, 16 CWA cases, 2 NCA cases, 9 RCRA cases, and 1 TSCA case. These cases are generally based upon pollution incidents that occurred in the past and require extensive discovery and fact investigation, and these 45 cases are only the tip of the iceberg. The Army and other military departments have identified many other federal facilities contaminated by past waste disposal practice. EPA now plans to add some of these federal sites to the National Priorities List, which will generate additional public pressure for rapid clean-up. Moreover, the 1984 RCRA amendments require every federal agency to prepare an inventory of all past disposal sites owned or used by that agency. This inventory must be provided to EPA and to state environmental agencies by January of 1986, and it must be updated every two years thereafter. The Division expects to see litigation over these sites in 1987 which must be defended. In still other cases, federal agencies are liable as generators because they shipped hazardous wastes to a privately-owned dump site many years ago. Defending these cases is extremely time-consuming because dozens or even hundreds of other generators are involved at the same site. In short, the Section's "federal facility" docket is extraordinarily resource-intensive.

Apart from federal facility cases, intense resource pressure is faced in other EPA litigation as well. A complicated petition for review may realistically require six months of a senior attorney's time, particularly where rehearing, certiorari petitions, and Supreme Court briefing are involved. This Section handles cases at all of these stages, and works closely with the Solicitor General's office on briefing and argument preparation. These cases often pit one lawyer in the Section against the combined legal talent of six or eight major law firms.

The issues EPA must address under the 1984 RCRA amendments are highly technical and intensely controversial. They include (1) how to regulate the estimated 750,000 companies that generate hazardous waste in small quantities; (2) whether certain hazardous wastes are too toxic to be placed in landfills; (3) how to regulate the millions of underground storage tanks that are leaking gasoline, jet fuel, or other hazardous substances; and (4) whether to regulate all used oil as a hazardous waste. Based on past experience under RCRA, we can anticipate that EPA will miss some of the deadlines for issuing proposed rules or final rules. The Section will then be confronted with "deadline suits" in which environmental groups or state agencies seek to put EPA on a court-ordered schedule for completing the job. Defense of these cases requires elaborate factual presentations to the district court, explaining how EPA has allocated its available resources and why it needs additional time.

The Section also will face substantive challenges to the final rules after they are issued. Based on experience with the last major RCRA rules in 1980 and 1981, as many as 40 different parties are likely to file petitions for review of a single RCRA regulation. Given the highly technical nature of the rules, defense of these cases in the court of appeals will require Section attorneys to become familiar with a massive record and to prepare unusually long briefs.

In addition, the Defense Section now spends a considerable amount of time handling pre-emptive suits aimed at blocking EPA's enforcement of RCRA. These cases include challenges to RCRA administrative orders requiring companies to sample the ground water for contamination, as well as cases filed by companies seeking to use the bankruptcy process to avoid their clean-up obligations under RCRA. To date, the Government has prevailed in every one of these cases.

Finally, other changes in the RCRA program will trigger litigation over EPA's issuance of permits. Under the 1984 amendments, every RCRA permit must now require corrective action to clean up any groundwater contamination on the property, regardless of how or when the contamination occurred. This will generate intense controversy over permit decisions, leading to additional litigation in the courts of appeals. Because EPA also is required to issue permits on an accelerated schedule, the workload impact of these permit challenges will be felt in 1987, if not before.

The Defense Section is likely to see additional litigation over revisions to the National Ambient Air Quality Standards for particulate matter, sulfur oxides, and carbon monoxide. The deadlines for such revisions passed several years ago. Major challenges to EPA's decision on each of these pollutants are anticipated. If the standards are relaxed or unchanged, environment groups are likely to sue; if the standards are tightened, then industry groups are more likely to go to court. EPA also is under statutory deadlines to establish national emission standards for certain hazardous air pollutants, including benzene, inorganic arsenic, radionuclides, and polycyclic organic matter. These deadlines too, have already passed. As soon as EPA takes action on these pollutants, the government can expect additional challenges to the standards themselves, with environmental groups attacking the adequacy of the standards and the regulated industries challenging the basis for the standards. Finally, the Section continues to defend against new litigation by states and environmental groups to try to force EPA to take drastic action on the "acid rain" situation.

For the next several years, EPA and states with EPA-approved programs will be issuing a new round of permits under the Clean Water Act to industrial plants that discharge directly into waters of the United States. Approximately 60,000 sources will have to obtain new permits. Thus, if even a tiny fraction (1%) of these sources challenge their permits in the courts of appeals, this would generate 600 new petitions for review. Although past experience with permit challenges has not approached this total, the historical data do not provide a reliable basis for projecting workload in the future in this area. The Clean Water Act permits issued prior to 1984 generally imposed relatively modest treatment requirements, at correspondingly modest cost, on the dischargers. In many cases, the new round of permits will require substantially greater financial expenditure, increasing the likelihood that industrial sources will challenge their permits.

Because the workload is defensive, the Section cannot decline cases that current resources do not cover. Instead, the Section must continually stretch resources to make sure every case is covered. On most cases, however, merely assigning a "body" does not provide effective representation to the government—particularly where a major regulatory program is involved or where a loss will subject the government to millions of dollars of liability. Section attorneys often face talented private counsel who have the time and resources to plow through lengthy administrative records, or to conduct exhaustive discovery to find the crucial facts upon which a case may turn. Section attorneys already work an average of 50 hours a week to keep up with the present workload, and the staff simply cannot be deployed any further and still be expected to do an adequate job. If the government is to maintain the consistently high quality of representation that EPA and the American public deserve, increased resources are essential.

In civil litigation, the unit has defended significant challenges to agency programs. In American Cetercean Society v. Baldrige, an environmental group sought to force the United States to impose an immediate cutoff of Japanese fishing in U.S. waters for exceeding whale harvest quotas set by the International Whaling Commission. The Section is seeking further review of a court of appeals decision invalidating a U.S.-Japanese agreement in which the Japanese pledged to terminate all commercial whaling by 1988 in return for the U.S. agreement not to ban Japanese fishing. The unit also is currently defending a controversial decision by the Fish and Wildlife Service to ban the use of leadshot for waterfowl hunting in important eagle nesting areas in National Wildlife Federation v. Hodel. Several cases have been brought to compel oil and gas developers of deposits beneath wildlife refuges to obtain access permits required by federal law in order to protect refuge lands; U.S. v. Terrone, Inc.; and U.S. v. IMC Corp. Earlier this year, the Section committed substantial time to resolve a controversy surrounding operation of the Kesterson National Wildlife Refuge in California. Accumulations of naturally occurring toxic minerals from a Bureau of Reclamation irrigation project were killing migratory waterfowl and posed a potential threat to human water supplies. The government successfully reached an accord with farmers and environmentalists which will avert the hazards yet provide alternative methods of irrigation disposal.

The unit recently settled U.S. v. Nikko Maru and a series of related administrative cases for $2 million and 20 years worth of permit suspensions on Japanese boats which were engaged in a scheme to conceal excess harvest from U.S. fisheries by means of false transfer logs. U.S. v. Lovgren is one recent example presenting an important legal issue: whether agency inspectors have the right to enter shore-side facilities. The district court, in a lengthy opinion ruled favorably to the government. In U.S. v. Old Colony, which presented extremely difficult issues of proof inherent in fisheries cases, the Section collected $167,000 in fines and permit sanctions. Two recent cases, American Original v. Baldrige and J.H. Miles v. Baldrige, raised significant issues regarding procedural and time requirements for fishermen litigants to challenge underlying substantive regulations. In each of these cases, unit lawyers persuaded the district court to deny the injunctions sought by plaintiffs, but we can expect these challenges to proliferate.

			Estimates	
	1984	1985	1986	1987
Environmental Enforcement				
Cases/Matters Received	276	301	320	320
Cases/Matters Closed	181	215	225	225
Cases/Matters Pending, end of year	767	853	948	1,043
Environmental Defense				
Cases/Matters Received	229	270	320	465
Cases/Matters Closed	263	369	315	405
Cases/Matters Pending, end of year	1,341	1,242	1,247	1,307
Wildlife & Marine Resources				
Cases/Matters Received	253	252	300	300
Cases/Matters Closed	131	200	250	250
Cases/Matters Pending, end of year	550	602	652	702
Totals				
Cases/Matters Received	758	823	940	1,085
Cases/Matters Closed	575	784	790	880
Cases/Matters pending, end of year	2,658	2,697	2,847	3,052

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General litigation.....	110	111	$7,289	110	111	$7,852	110	111	$7,852	...	...	...

Long-Range Goal: To defend and promote the public interest in federal land, water and mineral programs; to defend those programs from challenges; to effectively represent Indians and Indian tribes where the United States is trustee; and to review and comment on pertinent legislative initiatives.

Major Objectives:

To successfully defend challenged federal programs and policies affecting the management and protection of public lands, water, minerals and the Outer Continental Shelf.
To defend taxpayers against monetary claims involving federal lands, resources, and the environment.
To effectively represent the interests of Indians and Indian tribes where the United States is trustee, especially in water rights cases.
To defend the government from monetary claims made by Indians and Indian Tribes.
To monitor and evaluate legislative proposals relevant to the Division's programs.
To coordinate with state and local governments on environmental matters.
To respond to Congressional and citizen inquiries and requests under the Freedom of Information Act.
To provide legal counsel to the Assistant Attorney General and to client agencies, to file amicus curiae briefs as requested, and to provide litigation support in emergencies.
To track and evaluate citizen enforcement actions to assure consistency with law and governmental enforcement policy.

Base Program Description: Over the past 20 years, Congress has enacted numerous statutes designed to balance economic growth with environmental protection. These statutes require federal managers to evaluate proposed projects, and in some cases to choose alternatives which mitigate potential environmental damage. The General Litigation program's jurisdiction, involving over 70 of these statutes, is the broadest and most varied in the Land and Natural Resources Division, and its clients include virtually every agency of the federal government. The decisions of government agencies and officials have consistently been challenged in recent years by individuals, organizations, business entities and political jurisdictions. Suits have been filed by groups on both ends of the conservation-development continuum, using provisions of environmental statutes such as the Endangered Species Act and the National Environmental Policy Act to thwart federal policies and programs. The defense of federal prerogatives in this area is the primary mission of the General Litigation decision unit.

Litigation relating to mineral resources is one of the important responsibilities of the unit. Leasing federal lands for oil, gas and mineral development generates considerable controversy, yet mineral leasing is a significant source of federal revenues. Environmental groups and some states have sought injunctions using provisions of the Coastal Zone Management Act, the Endangered Species Act, the Outer Continental Shelf Lands Act and the National Environmental Policy Act to

challenge individual offshore leasing plans and the leasing program as a whole. Other states are not opposed to offshore drilling for environmental reasons; their lawsuits seek a share of the proceeds.

Water rights litigation is another area of concern. The government must advance water rights claims for federal properties and programs such as military reservations and national parks and forests. Water cases handled by the unit are generally expensive and protracted, and because the rights to entire stream systems are usually decided at one time, often involve over a thousand competing claims and years of judicial proceedings before a final decision is rendered. In western states where water supplies are extremely limited, federal claims to water rights are a particularly sensitive issue. The Department of the Interior has made clear its desire to yield to the states in water adjudications, and as a result, most water rights are adjudicated in state rather than federal courts. This occasionally leads to complications. For example, a decision by California's Supreme Court expanded the "public trust" doctrine, allowing the state to change its mind if future circumstances afford a more beneficial use for allocated water. While water rights obtained in federal courts are probably outside the scope of this case, federal rights gained in state proceedings may not be so secure. Recently, government opponents have used the Equal Access to Justice Act to seek attorney's fees in water rights cases, thus raising the taxpayer's ante in the water rights arena.

The program also is responsible for the bulk of public land law at the national level. Offshore boundary disputes with coastal states, involving tracts known or suspected to be rich in minerals, are litigated in the Supreme Court as original actions. Under the terms of the Submerged Lands Act, negotiated settlements are impractical, leaving only litigation to resolve these disputes. Title disagreements under the Quiet Title Act also are litigated by the decision unit. In onshore public lands cases, policies allowing timber development and grazing on federally-owned land have been challenged by industry and environmental groups alike. Efforts to dispose of excess public lands have been met with suits by parties opposed to the way in which the lands will be used after sale. Inverse condemnation suits, in which landowners assert that the government has effectively if inadvertently condemned their lands, continue to plague the military agencies in particular, exposing the taxpayers to enormous potential liability.

The unit also has defended the Secretary of Defense and various services in suits seeking to block, on environmental grounds, important defense initiatives. Thus, the unit defended the Navy's nuclear submarine Extremely Low Frequency (ELF) communications and is currently defending the deployment of the MX/Peacekeeper missile project and the stationing of a nuclear fleet in New York harbor.

Another mandate of this program is the Alaska Native Claims Settlement Act, which was passed in 1971 and established a fund of money and land to be distributed to Alaskan natives in exchange for extinguishing aboriginal claims against the United States. Extensive litigation has arisen out of this complex statutory scheme for registration of natives, establishment of village and regional corporations, selection and distribution of the land and distribution of the money. The decision unit has established a small field office in Anchorage for this litigation.

The United States has established trust relationships with various Indians and Indian tribes through a myriad of treaties, statutes and Executive orders. Under these authorities, the government is obliged to perform a number of functions on behalf

of these tribes, including litigation to defend their rights. The Indian Resources Section of this decision unit handles these cases, the most important involving water rights. Many Indian reservations lie in the arid portions of the country where competition for water is fierce, and tribal rights to water must be established before reservation lands can be developed. Over 50 million acres of reservation lands, and the rights to major water systems in dry western states are at stake. Other cases in which the government represents the interests of Indians involve the establishment and protection of hunting and fishing rights, and suits to answer questions about tribal rights to self-determination.

On the other hand, the Indian Claims Section responds to claims by Indians and Indian tribes that they are due compensation for government mistakes in administering Indian programs. These cases pose an estimated exposure to the taxpayers of over $2 billion. Congress has consistently recognized a need to rectify bona fide errors, and the Indian Claims Commission Act of 1946, together with current jurisdictional grants, provides a vehicle for Indians and Indian tribes to apply for monetary restitution. Under the Act, claims filed prior to 1951 are not subject to the usual statute of limitations. Although most of the claims under the Act have been terminated, a 1983 Supreme Court decision has led to increased litigation posing challenges to contemporary government management. The Division has proposed a 1986 reorganization of the General Litigation decision unit to consolidate within the General Litigation Section all defensive Indian lawsuits. This consolidation will broaden the responsibilities of the staff while allowing greater flexibility to assign experienced attorneys to high monetary exposure claims cases.

Finally, responsibility to review and comment on legislative proposals for the Division's programs rests in the Policy, Legislation and Special Litigation Section of this program. Over 40 new environmental laws were enacted during the decade of the seventies, and many of these complex and far-reaching statutes are nearing reauthorization. Many other environmental statutes are the subject of new legislative proposals, which benefit from analysis by the Division. After a bill is passed by Congress, the Section's responsibility involves analysis of new issues related to the implementation of the law, particularly in the first three years when few court decisions exist to give guidance on ambiguities that result from changes in laws. Complete screening of new legislation insures that the Division has detailed information in hand concerning the legislative history for use in litigation which arises after a bill becomes a law. Coordination between the various federal, state and local government agencies involved with environmental concerns and the conservation and development of natural resources is also within the purview of the decision unit, as is the initial development of Division policies in these areas.

Accomplishments and Workload: The accomplishments of the unit can best be seen through a discussion of the issues involved in the unit's most important areas of litigation. Outer Continental Shelf (OCS) oil and gas leasing in the federal waters of the United States is one of the Department of the Interior's most important programs. In monetary terms alone, it is a significant source of revenue for the federal government. OCS sales are highly controversial and generate much litigation. Accordingly, the unit coordinates closely with Interior and has attorneys assigned to up-coming sales in anticipation of litigation. Interior is now working on a revised 5-year OCS program. The unit successfully defended the earlier program, and has been involved in several lawsuits brought by coastal states challenging the allocation of revenues derived from leasing within three miles of a state's seaward boundary.

In Village of False Pass v. Clark, the Ninth Circuit upheld OCS Lease Sale 70, involving the St. George Basin in Alaska, against challenges based on the Endangered Species Act (ESA) and the Council on Environmental Quality's (CEQ) worst-case analysis regulation under the National Environmental Policy Act. The court relied heavily on the phased nature of OCS decisionmaking, as recently outlined by the Supreme Court in Secretary of the Interior v. California. It first held that the Secretary did not breach the good faith consultation requirement of the ESA by issuing the Final Notice of Sale two days before receiving the Final Biological Opinion from the National Marine Fisheries Service. The court noted in this connection that the lease sale was not an irreversible or irretrievable commitment of resources. The court also ruled that Interior did not have to adopt concrete protective measures at the lease sale stage such as seasonal drilling restrictions, since the Biological Opinion did not specifically require them and since the Secretary is under a continuing obligation to insure that future OCS developments do not jeopardize endangered species. CEQ's worst-case regulation was held not to require analysis of a massive 100,000 barrel oil spill in the lease sale Environmental Impact Statement (EIS). The court found that missing information regarding the effects of such a huge spill was not "important" to the lease sale decision, in light of the fact that Interior had performed an "adequate" analysis of a 10,000 barrel oil spill in the lease sale EIS, and would have substantial opportunities at future stages of the OCS process to gather more information on oil spills. The court found that, given the uncertainty at the lease sale stage that there would ever be such a spill, Interior did not abuse its discretion in deciding to defer more detailed analysis until the exploration and production stages. The court concluded that the EIS contained the required "hard-look" at environmental consequences even in the absence of a worst-case analysis.

The court faced a situation where hydraulic gold mining in the Sacramento and San Joaquin river systems in California resulted in substantial damage to some areas of the system, including a stretch of the Yuba River, in State of California, ex rel. State Land Commission v. Yuba Goldfields, Inc. In response, restraining barriers and a settling basin were constructed on the Yuba River in the early 1900s. Although California paid one-half of the acquisition costs for needed property, all of the deeds covering the property were recorded between 1901 and 1906 with the United States as the sole grantee. In 1970, the Corps of Engineers asked the California State Lands Commission whether California claimed title to the property. By 1978, California had asserted such a claim, the Corps had said that the United States was the sole owner and California had filed a quiet title action. While the case was proceeding to trial, the Supreme Court rendered its opinion in Block v. North Dakota, 461 U.S. 273 (1983) holding that States were not entitled to an exemption from the twelve year statute of limitations contained in the Quiet Title Act, 28 U.S.C. §2409a(f). The district court then granted the United States' motion for summary judgment in Yuba Goldfields, Inc., finding that California "knew or should have known" of the claims of the U.S. in the early 1900s. This conclusion was based on the fact that California had actual knowledge of the U.S. claim because the property was recorded "exclusively in the name of the United States." The Ninth Circuit concurred in the district court's reasoning and affirmed its ruling: "An examination of all of the evidence presented conclusively demonstrates that California had notice of the federal government's interest in the property. This notice was sufficient to start the running of the statute of limitations."

In Marathon Oil Co. v. U.S., the District Court granted the federal government's summary judgment and dismissal motions and denied all plaintiff's claims against the United States. Marathon is now required to make an accounting pursuant to Interior's royalty orders which determines the value of natural gas by deducting transportation and liquefaction costs from the gross proceeds received in Japan. Marathon had argued that other gas sold from the same field should be used to value its liquified natural gas. The case involves about $15 million and represents the most serious confrontation between

Interior and its lessees over royalties in some time. The decision provides an important precedent in that it recognizes Interior's primary responsibility for value determinations, grants wide discretion to the executive branch, and limits judicial review.

The federal government's motion for summary judgment against four mining companies was granted in Monsanto v. Watt. The case arises under the Mineral Leasing Act of 1920, 30 U.S.C. § 212, which requires a royalty payment on phosphate of not less than 5% of value. The issue was whether the Interior Department could demand increased royalty payments for an 18-month period that it took to develop an ore value formula on which the increase was based. The four lessees claimed the increase was an unauthorized, retroactive charge. The Court held that the increase was not retroactive because the plaintiffs had been put on notice that royalties would be increased. It further held that, even if the charge was retroactive, it was reasonable because the lessees were not "caught by surprise" and the statute obligates the Secretary to collect not less than 5% of value. Accordingly, the Court ordered payment of higher royalties under the new formula for the 18-month period in dispute, plus prejudgment interest and costs. We estimate the royalty award to amount to about $750,000 and the interest award should double it. The case sets two important precedents. First, it holds that the Secretary may impose a new value formula "retroactively" as long as the lessees are on some form of notice that an adjustment of their royalties will be required. Until now, the Department of the Interior has maintained that only the first imposition of a value formula, in lieu of payment of a minimum 25 cents per ton, may be imposed retroactively. Its rationale was that a lessee cannot expect to pay the minimum indefinitely. Second, it holds that prejudgment interest on this 1976 debt must be paid in accordance with the Renegotiation Board Rate, the published interest rate the government pays when it borrows. This holding is significant because the law is unsettled as to the rate that should be paid on debts arising under government contracts issued before October 25, 1982. Debts arising under contracts issued after that date are governed by 31 U.S.C. 3717 which imposes simple interest fixed at the published "Current Value of Funds" (CVF) rate prevailing when the debt is incurred. The CVF rate has only been published since 1981.

824

The Federal Circuit affirmed a Claims Court ruling in Sohio Transportation Co. v. U.S. that the Department of the Interior could charge the applicant for the government's costs in processing an application for an oil pipeline right-of-way over federal land. The court held that such costs, including the cost for the preparation of an EIS, are valid fees allowed by appropriate regulation and not an unconstitutional tax. The Sohio decision sets forth a precedent which could have a profound affect on the government's ability to collect processing costs in many other programs. In a companion case, Alyeska v. U.S., the plaintiff has indicated that it is going to abandon its claim of over $30 million in the face of the Sohio ruling.

In Southwest Research and Information Center v. U.S. Department of Energy, the district court dismissed the claims of plaintiffs against the Department of Energy and the Department of the Interior. The suit was a challenge to the adequacy of the environmental analysis of the Waste Isolation Pilot Plant (WIPP), a radioactive waste disposal research and development project of the Department of Energy, and the legality of the Interior land withdrawals for the facility. The court upheld the adequacy of the EIS by Energy, and Interior's reliance on that EIS in deciding to withdraw the land. A worst case analysis was not required because the draft EIS had been prepared prior to the promulgation of the CEQ regulations in 1979. Also,

the court held that Congress did not create a private right of action to challenge in court the Secretary's decision to withdraw federal land and reserve it for a particular purpose and that the Secretary's withdrawal decision was unreviewable because the agency action was committed by law to agency discretion. Further, plaintiffs suffered no legal wrong and were not adversely affected as a result of the withdrawal. No legislative action was required for a single-purpose, 20-year withdrawal that was subject to renewals for construction of the WIPP project. Finally, the court held that by enactment of Pub.L. 96-164, Sec. 213, construction of the WIPP, Congress itself determined that the public interest is served by construction of the WIPP facility.

In the area of Indian resources, the government won a victory in the Big Horn Water Rights adjudication when the reviewing court recently affirmed the Master's decision to recognize substantially all of the water claims made by the United States on behalf of the involved tribes. This case was the first Indian reserved water rights adjudication to undergo an actual trial on the merits in a state court, and represented a major victory for federal water rights claimants. In addition to a generous award of water, the Court affirmed several important positions urged by the government, such as the immunity of the federal sovereign from arguments in equity as well as a rejection of limitations on the use of water by the Tribe to purely agricultural uses.

In U.S. v. Roosevelt Water Conservation District, the United States recently settled a fifty year old dispute between the Gila River Indian Community and the Roosevelt Water Conservation District in Arizona. Since 1927, the Tribe has suffered serious flood damage to lands within the Gila River Indian Reservation from the operation and maintenance of the defendant's irrigation canal and attendant works. To forego trial on the issue of liability and damages, the non-Indian agreed to pay a generous award of $300,000 to the United States on the Gila River Indian Community's behalf. The Department of the Interior enthusiastically backed the provisions of this settlement and termed it a major achievement on the Tribe's behalf. The Tribe will now be able to recover losses from the flooding as a result of this settlement. Shortly after the settlement was enacted, the United States, the Tribe and the flood control districts in the area were able to cooperate in the construction of a major floodway across the Reservation to assure that future flood run-off will be safely channelled across the Reservation.

The United States, after more than a decade of chronic animosity and near-violence between Indian and non-Indian fishermen on the Great Lakes, was able to oversee a settlement of the entire controversy in U.S. v. Michigan. Under the terms negotiated, certain allocations of fish tonnage and fishing areas were created to the satisfaction of all parties, thus ending a long and bitter struggle.

In significant Indian Claims litigation, the Division recently won an impressive unanimous Supreme Court decision in U.S. v. Carrie Dann. In that case, individual Indians sought to relitigate aboriginal title claims to land which was already subject to a $26 million award under the Indian Claims Commission Act covering 24.4 million acres in Nevada and California. The strongly worded high court decision upheld the finality of the previous award, concluding that the tribal title claim had been discharged. This case may have a broad impact on some $190 million in uncollected awards now deposited with the Treasury. These awards, which have remained in limbo while claimants have considered further litigation, may now be presumed final discharges of all title claims on the instant lands.

In two pending cases with similar issues, the Division has argued that there must be limits on the ability of Indians to recover property, and that the passage of 200 years between claim accrual and the assertion of damages and possession must be considered in setting these limits. In County of Oneida v. Oneida Indian Nation of New York State, the Supreme Court, in a 5-4 vote, left this question of "equitable considerations" open for further development, but ruled that state statutes of limitations did not apply of their own force to limit such claims. The minority squarely embraced the concept of a federal time bar. In State of South Carolina v. Catawba Indian Tribe of South Carolina, the State's challenge to a Fourth Circuit decision implicates the property titles of 27,000 people on 225 square miles of land in South Carolina. The case is pending before the Supreme Court and the United States, as amicus curiae, has argued that equitable concerns are fully served by particular federal statutes which make the state limitations statute applicable.

In the areas of policy, legislation and special litigation, the Division has achieved significant results over the last year. Policy work has ranged from producing articles and speeches on settlement policy in Division cases, to citizen enforcement and environmental crimes, to water law and groundwater protection. Briefing books and documents have been produced for the Attorney General, the Deputy Attorney General and the Cabinet Council on Natural Resources and the Environment, as have major analyses of various policy questions including EPA Credit Projects, EDB Indemnification, Ocean Incineration and Groundwater Protection. The Division has initiated a more orderly procedure for reviewing briefs on attorneys' fees, and has been instrumental in developing the rationale for the deputization of EPA law enforcement personnel. The unit also was successful in obtaining exclusive legislative jurisdiction over the Lexington Correctional Institute in Kentucky and concurrent legislative jurisdiction over the Fort Drum Military Reservation in New York.

In the legislative area, the Policy, Legislation and Special Litigation Section (PLSL) worked toward deferring changes to the Superfund or Coastal Zone Management Act statutes until the 99th Congress, and both goals were achieved. An amendment to the Equal Access to Justice Act drafted by the Section to clarify the status of land condemnation cases was included in the bill passed by Congress. The Section succeeded in promoting a veto of an unwarranted Indian irrigation project bill and helped to delay consideration of quiet title legislation and Utah land exchange measures. The Section has been actively involved in the development of an administration Superfund Bill that would preserve the litigation achievements of the Division over the past several years, and vigorously defended and steered those proposals through a large number of congressional committees. The Section also helped develop the enforcement provisions of the administration's Clean Water Act bill and obtained substantially all of its objectives, in bills passing both the House and Senate, strengthening and making more effective enforcement provisions under the Act, while limiting excessive citizen litigation that would interfere with or impede governmental enforcement.

PLSL has taken on an increasing amount of litigation responsibility. While most of the cases have not yet been decided, there have been some significant victories in those that have come to judgment. The Section participated as amicus curiae before the Supreme Court in Lawrence County v. Lead Deadwood School District, in which the Court overturned the 10th Circuit's decision in this case involving an important Federal Supremacy Clause question under the Interior Department's Payments in Lieu of Taxes program. The Section also participated as amicus before the Supreme Court in Williamson County v. Hamilton Bank, and the court adopted our view that the takings claim in a land-use regulation case was not ripe for review.

The Section recently won appeals in the 9th Circuit (Luckie v. Ruckelshaus), upholding EPA's choice of cleanup action, and in the Federal Circuit (Hutchens v. U.S.), upholding government action in a contract case. Moreover, the Section persuaded the 10th Circuit to take an interlocutory appeal in Cherokee Nation v. U.S., involving a navigational servitude question, and succeeded in arguing for the constitutionality of the citizen suit provision in the Clean Water Act in U.S. district court (SPIRG v. Monsanto).

			Estimates	
	1984	1985	1986	1987
General Litigation Section:				
Cases received	740	725	725	725
Cases closed	1,941	413	420	430
Cases pending, end of year	3,299	3,611	3,916	4,211
Indian Resources Section:				
Cases received	62	48	48	48
Cases closed	36	34	34	34
Cases pending, end of year	586	600	614	628
Indian Claims Section:				
Cases received	13	12	12	12
Cases closed	11	15	15	15
Cases pending, end of year	75	72	69	66
Policy, Legislation and Special Litigation:				
Matters received	1,111	1,150	1,150	1,250
Matters closed	1,095	1,060	1,060	1,060
Matters pending, end of year	114	204	294	484
Total:				
Received	1,926	1,935	1,935	2,035
Closed	3,083	1,522	1,529	1,539
Pending, end of year	4,074	4,487	4,893	5,389

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration	37	32	$2,397	33	28	$2,494	33	28	$2,494	...	...	...

Long-Range Goal: To efficiently and effectively manage the Division, and to provide the administrative systems and support services required to conduct litigation.

827

Major Objectives:

To develop program initiatives to permit effective responses to the Administration's policy requirements.
To provide policy direction to Division program managers.
To ensure that statutory obligations are met.
To maximize use of office automation technologies to increase efficiency and productivity throughout the Division.
To develop and maintain systems for improved fiscal planning and accountability.
To recruit and develop highly competent and motivated staff.
To implement an automated management and support system.
To establish a management systems review function and to refine and monitor program plans, evaluate program performance, and conduct resource allocation studies.
To enhance the Division's ability to identify and implement requirements for expert witnesses.
To identify personnel training needs and initiate a comprehensive orientation program.
To provide all administrative support services, including space and facilities, files, messengers, copying, and supplies.
To update an administrative manual covering issues such as administrative procedures, employee position descriptions and workplans, performance evaluation criteria, promotions, awards, maternity leave, and adverse actions.

Base Program Description: This program provides overall direction and management for the Land and Natural Resources Division and supervises and administers operations necessary to the efficient operation of the Division's litigative mission. The responsibilities of this program include: budget preparation and execution; financial management; development, operation, and maintenance of management and automated support systems; workload and resource requirements analyses; recruitment; processing of personnel actions including payroll and benefits; management of space, facilities, and supply requisitions; provision of office equipment; processing mail; files control; provision of messenger, printing and copying services; performance of management analyses and internal control reviews.

Accomplishments and Workload: The Administrative Services Group completed a number of office moves to foster more efficient utilization of space. Office space and facilities were acquired to house client agency personnel working with the Division in the Shell (Rocky Mountain Arsenal) case and additional facilities were acquired in Alaska for Division personnel working on the Alaska Native Claims litigation. Section personnel worked with the Justice Management Division to design and construct a computer facility for the Division's prototype minicomputer docket tracking system. Additionally, expanded and improved library services were provided to Division personnel located in the New Post Office building. The Group inventoried the Division's furniture and equipment, and implemented controls for tracking and disbursing these supplies. Over 500 files previously closed cases were purged, and the filing backlog has been virtually eliminated. Moreover, the Group oversaw the Division's program to detect, monitor and remove asbestos from two of the buildings assigned to the Division.

Management reviews of each of the Division's sections are continuing. The initial assessments of the two largest sections have been completed, and reviews of the other sections are proceeding. In these studies, data are collected on each facet of section operation, e.g., reporting systems, caseload, organization and management structure. As a result of the completed studies, a number of management reforms have already been introduced by senior Division officials.

828

The Financial Management Group instituted a system for reviewing and maintaining records of Division requests for expert witnesses. The system is designed to track each request from initiation and approval to payment of invoices. The Group also has taken an active role in reducing the outstanding travel advance balances held by Division employees. Since December 31, 1984, the Division's travel advance balance was reduced by over $60,000. The Group also presented a half-day seminar on the government's travel regulations for Division secretarial personnel. Topics included preparation of authorizations and vouchers, and per diem calculation. Another seminar was developed and presented to Division attorneys, outlining procedures from the traveler's perspective.

A major task this year was the preparation of the Division's response to the recent JMD audit of Superfund accounting and timekeeping procedures. As a part of the response, the Financial Management Group developed an administrative bulletin designed to strengthen controls over the Division's attorney time system. Group personnel provided data and backup material for negotiations with EPA to revise the interagency agreement and are revising and monitoring the financial systems required by the new agreement. The Group coordinated the Division's internal controls program under OMB Circular A-123, and has initiated studies to determine the potential for increased productivity in accordance with OMB Circular A-76. In response to OMB Circular A-76, the Group has been experimenting with the expanded use of contractors to support the messenger, copying and office moving programs.

The Personnel Group provided support to Division management in redesigning the Division's recruitment methods in order to facilitate hiring high-quality employees and to ensure the application of Division-wide criteria in the hiring process. Efforts have continued in coordinating and developing personnel management seminars specifically geared toward the Division; the latest dealt with managing problem attorneys. The Group also designed and initiated a formal orientation program for new employees. A "working sabbaticals" program for tenured senior attorneys has been proposed to boost morale among career attorneys, and to expand the contacts and experience of our most productive litigators. The Group's program to revise and update workplans is nearing completion, and workplans for student aides in the stay-in-school program have been developed.

The Group has continued to upgrade the Division's automated docket tracking system and integrate it with the attorney time system. While these improvements have enhanced the capability of the two systems, full integration may require a complete redesign of both systems.

During 1985, the Division reprogrammed the personnel and funds for automated litigation support from the Management and Administration program to the Environmental Protection and General Litigation programs, which utilize this litigation tool. This reprogramming moved the resources used for automated litigation support for specific areas to those areas which actually utilize the services, and provides a more accurate picture of the direct litigative needs of the Division. Since this Group was responsible for automated litigation support in 1985, the program accomplishments are outlined below.

Automated litigation support, using computer and microfilm technologies, was provided to 29 large, complex cases. Over 3 million pages of case documents were processed, screened, microfilmed, indexed, keyed, and loaded into the computer for automated retrieval. A trial support center for the Conservation Chemical case was established in Kansas City. This center involved a document "library" with equipment and personnel to provide instant access to any of over 100,000 documents required by Division attorneys for the settlement negotiations or, if necessary, trial. Numerous other full-text deposition

databases were created and are now used daily by attorneys. A legislative history database has been developed for the Resource Conservation and Recovery Act and similar efforts are almost complete for the Clean Air and Clean Water Acts.

In addition to large document databases, the Automated Systems Group recently has provided support for several smaller cases, not requiring extensive automated litigation support. In the Mono Lake case, the Group provided portable personal computers (PCs) to calculate erosion rates. During the trial the Division attorney was able, while in the courtroom, to locate information for use in examining opposing experts. A PC in the Land Acquisition program is being used to compute interest rates and land appraisals. In support of the Guam Land Claims case, PCs were used to create two 10,000 record databases and 10 smaller databases. Other PC applications include tracking the status of pending legislation, setting and monitoring schedules for Indian Claims cases accounting and analyzing case histories.

A successful competitive procurement resulted in a fixed-unit-price indefinite-quantity contract for litigation support services, allowing rapid response to the requirements of individual cases. Also, as a result of this contract, the Group now has the flexibility through the use of contractor personnel to provide litigation support and staff throughout the country.

The Division has included as an adjustment to the base a reduction of four position, four FTE workyears, and $36,000 resulting from management improvements. This represents a continuation of the Division's efforts to implement OMB Circular A-76 through contracting or consolidating with other Departmental components for less expensive messenger and mail services currently provided by government employees. In concert with the Justice Management Division's Office of Productivity and Planning, and with a cadre of representatives from other legal divisions, further productivity initiatives are underway. Using this collegial approach, the Lands Division expects further improvements in its central files program, either through contracting or consolidation, by 1988.

59-584 O—86——27

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Land Acquisition		Environmental Protection		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM - 15	-2	-$105	3	$157	1	$52
GS/GM - 14	...	...	3	133	3	133
GS - 11	...	...	1	26	1	26
GS - 9	-1	-22	1	22	...	...
GS - 5	-2	-28	3	43	1	15
Total positions and annual rate	-5	-155	11	381	6	226
Lapse (-)	...	9	-5	-183	-5	-174
Total workyears and personnel compensation	-5	- 146	6	198	1	52
Personnel benefits	...	-16	...	22	...	6
Travel and transportation of persons	...	-4	...	40	...	36
GSA rents	...	-40	...	27	...	-13
Other rents	...	-10	...	11	...	1
Other services	...	-5	...	50	...	45
Supplies and materials	...	-3	...	13	...	10
Equipment	...	-1	...	12	...	11
Total, workyears and obligations, 1987	-5	-225	6	373	1	148

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Programs	
Program	Ranking
Environmental Protection	1
Appellate	2
General Litigation	3
Management and Administration	4
Land Acquisition	5

Program Decreases	
Program	Ranking
Land Acquisition	1

Program Changes	
Program	Ranking
Environmental Protection	1

Land and Natural Resources Division

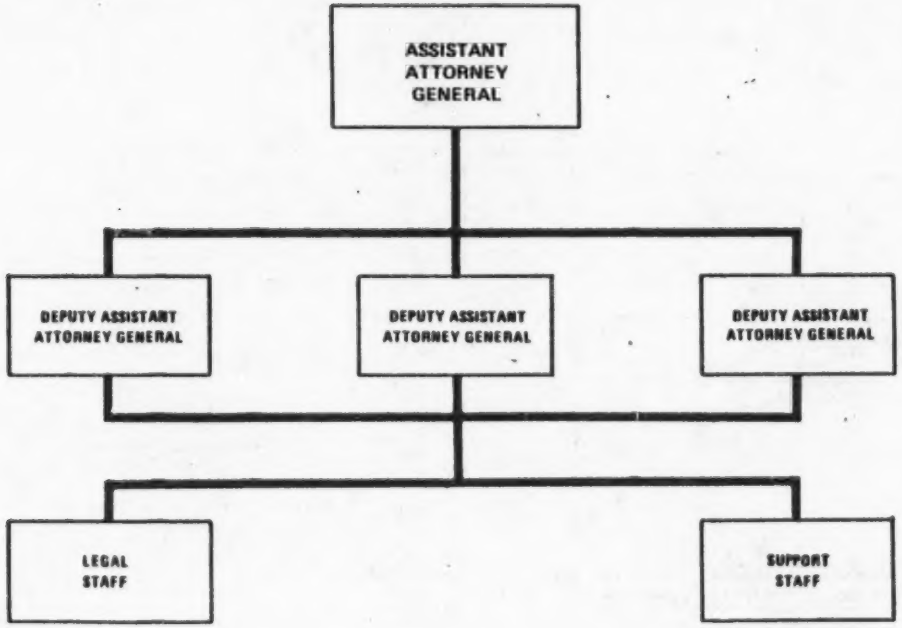
Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category

Fiscal years 1985 - 1987

	1985 Authorized	1986 Authorized	1987 Adjustments to Base	1987 Program Decreases	1987 Program Increases	1987 Total
Attorney (905)	184	184	...	-2	7	189
Paralegal specialist (950)	25	25	...	...	...	25
Other legal and kindred (900-998)	8	9	...	...	...	9
Gen. admin., clerical and office services (300-399)	124	123	-4	-3	4	120
Accounting and budget (500-599)	3	3	...	...	...	3
Business and industry group (1100-1199)	3	3	...	...	...	3
Total	347	347	-4	-5	11	349
Washington	333	333	-4	-5	11	335
U.S. Field	14	14	...	...	...	14
Total	347	347	-4	-5	11	349

OFFICE OF LEGAL COUNSEL



Approved: William French Smith, Attorney General Date: 1/19/84

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	35	39	$2,260
Uncontrollable increases:			
Within-grade increases	...	...	13
Health benefits costs	...	...	2
GSA Rent	...	...	61
GSA recurring reimbursable services	...	...	1
Telephone system line charges	...	...	9
Departmental printing and reproduction costs	...	...	1
GPO printing costs	...	...	2
General pricing level adjustment	...	...	12
Annualization of 1986 relocation amendment	...	...	7
Total uncontrollable increases	...	...	108
Decreases:			
Federal Telecommunications System (FTS)	...	...	-2
1987 base	35	39	2,366

	1985 as Enacted			1985 Actual			1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount
6. Legal opinions	35	39	$2,259	35	29	$1,859	35	39	$2,260	35	39	$2,366	35	39	$2,366	...	...	...

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Legal Opinions	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal opinions.....	35	39	$2,260	35	39	$2,366	35	39	$2,366	...	...	...

This budget activity includes resources for the primary mission of the Office of Legal Counsel (OLC). Funds requested for this activity support personnel involved with the preparation of the Opinions of the Attorney General and other OLC opinions on a variety of significant and complex constitutional, statutory and other legal questions involving the operation of the Executive Branch.

Long-Range Goal: To assist the Attorney General in his role as legal adviser in the Executive Branch, and to provide timely, exceptionally high quality, and reliable legal analysis in response to requests for opinions coming from the President, the White House staff through the Counsel to the President, the Attorney General, Justice Department components, and the heads of Executive Branch and independent agencies.

Major Objectives:

To increase the timeliness and quality of all OLC formal and informal opinions.

To carry out the President's Executive Order on Federal Legal Services by improving this Office's usefulness as an aid in the resolution of intra-Executive Branch disputes and legal questions.

To assist other components in the Department of Justice in drafting and providing testimony on proposed legislation, and to provide comments on the constitutionality and legality of proposed legislation of interest to other departments and agencies.

To assist the Attorney General in his function of providing general legal advice to the President and Executive Branch agencies.

To perform its function of approving Executive Orders ad Orders of the Attorney General as to form and legality competently, thoroughly and expeditiously.

To continue the practice, begun in 1977, of making publicly available in published form those Office of Legal Counsel opinions that are of general interest to the public.

Base Program Description: The principal duty of the Office of Legal Counsel is to assist the Attorney General in his function as legal adviser to the President and Executive Branch agencies. The Office also reviews as to form and legality all Executive Orders and Proclamations proposed to be issued by the President. All proposed orders of the Attorney General, and all regulations requiring his approval, are also reviewed by the Office of Legal Counsel. In addition, the staff is also involved in coordinating the work of the Department with respect to treaties, executive agreements and international organizations and performs a variety of special assignments referred to the Office by the Attorney General, the Deputy Attorney General, or the Associate Attorney General.

The statutory authority pertaining to the Office of Legal Counsel is 28 U.S.C. 511-512. There are no pending or proposed legislative changes which would affect this Office.

The Office of Legal Counsel does not initiate any programs or have control over the volume of requests for opinions of the Attorney General or for legal opinions of the Office of Legal Counsel. All of the Office's work results from requests for opinions and legal advice from the President, the White House staff, Attorney General, members of the Cabinet and Executive Branch agencies and other Department of Justice officials.

A small number of requests are considered appropriate for formal Attorney General opinions which are drafted preliminarily in OLC and reviewed, revised and approved by the Attorney General. The majority of such requests result in the preparation of legal opinions signed by the Assistant Attorney General or one of the Deputies based upon the research of one or more of the 16 staff attorneys. Other requests result in the provision of oral advice to the client.

Accomplishments and Workload: Accomplishments of the Office of Legal Counsel are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Executive orders and proclamations	51	41	45	50
Opinions	508	462	475	480
Intradepartmental opinions	605	494	500	505
Special assignments	2,558	2,477	2,500	2,510

OLC provided legal opinions under Executive Order No. 12146 in several disputes between Executive agencies. The Office has continued to respond to every request for such dispute resolution it receives. OLC has received numerous such requests during the past fiscal year and continues to enjoy a high degree of respect from Executive agencies for its opinions.

OLC has taken a major role in either testifying or preparing testimony in connection with pending legislation of interest to the Department and the Administration. OLC also has assisted in the drafting of legislation, and in providing legal advice concerning the legality and constitutionality of proposed and enrolled bills to other components in the Department and to other departments and agencies on subjects as diverse as the work of the Executive Branch itself.

The Office has provided general legal advice to the President and the various departments and agencies of the Executive Branch on a wide range of legal issues, including among others, actions to be taken in the aftermath of the Supreme Court's decision in INS v. Chadha regarding legislative veto, compliance with the Federal Advisory Committee Act, the Ethics in Government Act, and the Administrative Procedures Act, as well as more specific questions arising from the laws relating more narrowly to the individual departments and agencies.

During the past fiscal year the Office has reviewed for the White House numerous Executive Orders as to their form and legality, and given advice to the President concerning appropriate revisions and considerations. The Office has developed the expertise and procedures necessary to perform this function within only a few business hours in most cases. OLC has also reviewed several orders of the Attorney General during the same period, some of them on very limited time schedules.

Volumes 4A, 4B and 5 of the Opinions of the Office of Legal Counsel for 1980 and 1981 were published in January 1986. Planning and work has begun on Volumes 6 and 7 to contain noteworthy opinions rendered in 1982 and 1983. We believe we now have in place and are attempting to refine a structure that will improve the speed of producing these volumes.

838

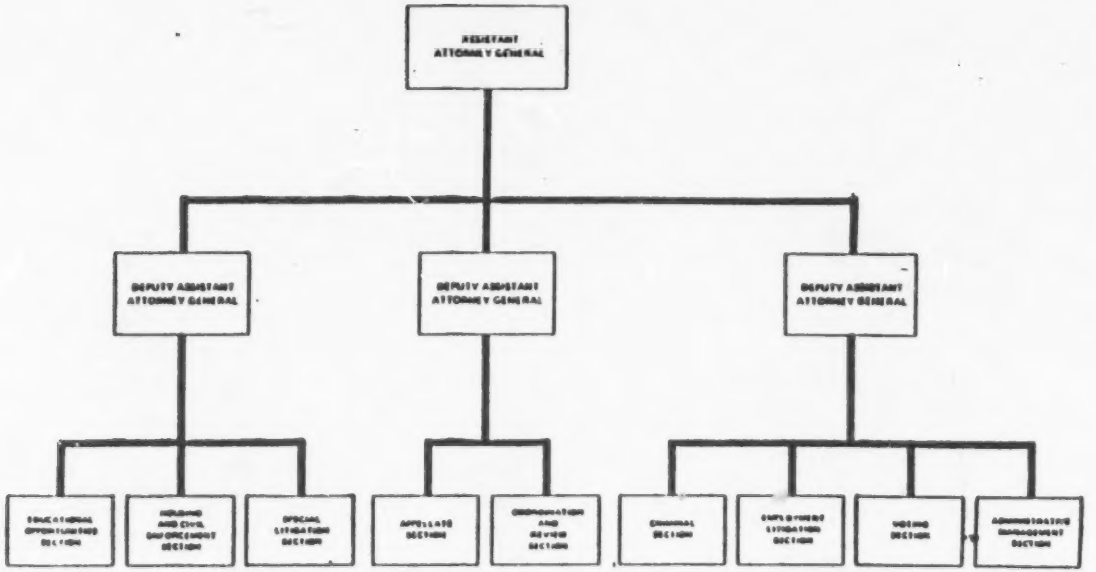
Office of Legal Counsel

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Request
Attorneys (905)	20	20	2
Paralegal Specialists (950)	1	3	-
Legal clerks (986)	8	6	6
Gen. admin., clerical and office svc. (300-399)	6	6	6
Total	35	35	35
Washington	35	35	35
U.S. Field	...	...	...
Foreign Field	...	...	...
Total	35	35	35

CIVIL RIGHTS DIVISION



APPROVED _____ DATE 10/20/83

840

Civil Rights Division
Salaries and expenses, General Legal Activities
Crosswalk of 1986 Changes
(Dollar in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Supplementals Requested Program			1986 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Federal appellate activity....	30	30	$1,706	...	...	-$15	2	2	$107	...	...	...	32	32	$1,798
Civil rights prosecution.....	45	44	2,427	...	...	-21	...	...	153	...	...	...	45	44	2,559
Special litigation.....	35	36	2,227	...	...	-18	2	2	130	...	...	...	37	38	2,339
Voting.....	68	71	3,136	...	...	-27	...	...	197	...	...	...	68	71	3,306
Employment litigation.....	61	63	3,339	...	...	-29	2	2	182	...	...	...	63	64	3,492
Coordination and review.....	39	42	2,136	...	...	-19	...	...	123	...	...	...	39	42	2,240
Housing and civil enforcement.	33	34	1,815	...	...	-15	...	...	101	...	...	...	33	34	1,901
Educational opportunities.....	33	33	1,751	...	...	-15	...	...	98	...	...	...	33	33	1,834
Management and administration.	60	71	4,462	...	...	-30	-6	-6	-1,091	...	...	...	54	66	3,341
Total.....	404	424	22,999	...	...	-189	...	...	...	...	...	...	404	424	22,810

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress reduced the Civil Rights Division appropriation request for 1986 by $70,000 for Standard Level User Charges, $116,000 for 20 percent of the request for restoration of the 5 percent pay reduction, $13,000 for unspecified reasons and added $10,000 for relocation costs.

Reprogrammings

There are two separate reprogrammings reflected in this crosswalk. The first involves decentralization of the main portion of the costs related to the Division's Information Technology Systems function. Definite advantages will be obtained from this reprogramming. Division resources will be more fully utilized during a period of austere funding. The current Information Technology staff will be utilized in an oversight and direction capacity which will enhance the effectiveness of available resources which is in direct compliance with the Administration's commitment to improve resource usage and productivity in the Federal Government. Also, the ability to more effectively track expenditures of this nature will permit the Division to identify and analyze the amount of resources being used to support each of its programs in a more comprehensive manner.

The second reprogramming reflects the transfer of the three Special Litigation Counsel and the three support personnel assigned to them from the Management and Administration Program to the programs indicated above which more accurately reflects the duties that they are performing.

Civil Rights Division
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted (appropriation anticipated)..	404	424	$22,810
Uncontrollable increases:			
Within-grade increases	...	...	157
Health benefits costs	...	...	10
GSA Rent	...	...	90!
GSA recurring reimbursable services	...	...	5
Postal service increases	...	...	7
Telephone systems line charges	...	...	110
Departmental printing and reproduction costs	...	...	9
GPO printing costs	...	...	2
General pricing level adjustment	...	...	95
Annualization of 1986 Relocation Amendment	...	...	60
Total, uncontrollable increases	...	...	1,356
Decreases:			
Federal Telecommunications System (FTS)	...	...	-25
1987 Base	404	424	24,141

	1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Inc./Dec.		
Estimates by budget activity	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
7. Civil rights matters....	404	418	$22,619	404	424	$22,810	404	424	$24,141	404	424	$24,141	...	...	...

Civil Rights Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Federal appellate activity	30	30	$1,655	30	29	$1,654	32	32	$1,798	32	32	$1,903	32	32	$1,903	...	...	...
Civil rights prosecution	45	45	2,324	45	44	2,324	45	44	2,559	45	44	2,704	45	44	2,704	...	...	...
Special litigation	35	36	2,152	35	35	2,148	37	38	2,339	37	38	2,473	37	38	2,473	...	...	...
Voting	68	71	3,039	68	70	3,039	68	71	3,306	68	71	3,481	68	71	3,481	...	...	...
Employment litigation	61	62	3,255	61	61	3,255	63	64	3,492	63	64	3,687	63	64	3,687	...	...	...
Coordination and review	39	42	2,089	39	42	2,089	39	42	2,246	39	42	2,369	39	42	2,369	...	...	...
Housing and civil enforcement	33	34	1,756	33	33	1,756	33	34	1,901	33	34	2,006	33	34	2,006	...	...	...
Educational opportunities	33	33	1,690	33	33	1,690	33	33	1,834	33	33	1,934	33	33	1,934	...	...	...
Management and administration	60	72	4,664	60	71	4,664	54	66	3,341	54	66	3,584	54	66	3,584	...	...	...
Total	404	425	22,624	404	418	22,619	404	424	22,810	404	424	24,141	404	424	24,141	...	...	...
Reimbursable Workyears		6			6			6			6			6			...	
Total Workyears		431			424			430			430			430			...	
Other Workyears																		
Holiday		...			...			...			...			...			...	
Overtime		3			7			3			3			3			...	
Total compensable workyears		434			431			433			433			433			...	

Civil Rights Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Civil Rights Matters

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	32	32	$1,798	32	32	$1,903	32	32	$1,903	...	...	...
Civil rights prosecution	45	44	2,559	45	44	2,704	45	44	2,704	...	...	...
Special litigation	37	38	2,339	37	38	2,473	37	38	2,473	...	...	...
Voting	68	71	3,306	68	71	3,481	68	71	3,481	...	...	...
Employment litigation	63	64	3,492	63	64	3,687	63	64	3,687	...	...	...
Coordination and review	39	42	2,240	39	42	2,369	39	42	2,369	...	...	...
Housing and civil enforcement	33	34	1,901	33	34	2,006	33	34	2,006	...	...	...
Educational opportunities	33	33	1,834	33	33	1,934	33	33	1,934	...	...	...
Management and administration	54	66	3,341	54	66	3,584	54	66	3,584	...	...	...
Total	404	424	22,810	404	424	24,141	404	424	24,141	...	...	...

This budget activity consists of resources designed to accomplish the mission of the Civil Rights Division. The Division is responsible for the enforcement of all laws and Executive Orders prohibiting discrimination on account of race, color, national origin, sex, age, handicap or religion. The Attorney General has also been delegated responsibility to administer the special provisions of the Voting Rights Act of 1965, as amended in 1970, 1975 and 1982, including under Section 5, the preclearance of all changes affecting voting in covered jurisdictions; to litigate sex discrimination cases referred under Title IX of the Education Amendments of 1972; and to handle cases involving discrimination by federal contractors referred by the Department of Labor. The Division's delegation of the Attorney General's responsibilities to coordinate and enforce Title VI of the Civil Rights Act of 1964 by all federal program agencies was enhanced significantly by Executive Order 12250, signed November 2, 1980. The Executive Order increased the Division's coordination authority under Title VI and also delegated coordination authority for Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973, as amended. In addition, in 1980 Congress enacted the Civil Rights for Institutionalized Persons Bill which authorizes the Attorney General to bring litigation against unconstitutionally operated state and local institutions.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	32	32	$1,798	32	32	$1,903	32	32	$1,903	...	...	...

Long-Range Goal: To reduce the incidence of unlawful denials of civil and constitutional rights.

Major Objectives:

To file, on a selective basis, appellate level cases initiated by the government.
To serve as a friend of the court in appellate cases which have a substantial impact on federal civil rights enforcement.
To handle all appropriate appellate level litigation in the civil rights area, rather than to have such cases handled by the enforcement programs.
To provide legal counsel to government departments and agencies with respect to their civil rights related programs and nondiscrimination requirements.
To provide significant substantive support for the Division's legislative initiatives and to comment on the legislative proposals of others.
To provide, with respect to pending litigation, legal counsel and research assistance to other enforcement activities and to the Department.

Base Program Description: Once a litigating program has obtained a district court judgment, the case may be reviewed in the courts of appeals or the Supreme Court. This program handles or supervises the handling of all appeals from both favorable and adverse judgments in which the government participated. Supreme Court cases require coordination with the Office of the Solicitor General. A favorable district court decision is meaningless if it is reversed on appeal, and the program needs and resource expenditures of district court litigation demand the ability to appeal adverse decisions. The success of the Division's front-line litigating programs depends on this program's effectiveness on appeal.

In addition, since appellate court decisions in private cases may profoundly affect the entire civil rights effort, the Division participates as a friend of the court in appellate cases which raise issues that, when resolved, will have an impact on the scope of the Division's enforcement jurisdiction. Occasionally, at the request of the Assistant Attorney General, program staff participates in the district court in cases in which appeals appear to be imminent.

In support of an effective civil rights enforcement program, the program develops (as requested) new legislation or modifications or amendments to existing legislation in the interest of protecting the civil rights of all citizens; comments on civil rights legislative proposals of others (as required by the Department's Office of Legislative and Intergovernmental Affairs and as requested by the Office of the Assistant Attorney General); provides legal counsel to federal agencies responsible for the administration and development of programs with civil rights implications which invariably present difficult legal and policy questions. The advice the staff gives is designed to ensure the legality of such programs, promote uniform

policy application, and lessen the possibility of expensive and disruptive litigation later. Such counsel involves commenting on draft regulations and the efficacy of program administration as well as advising on proper litigating strategy.

For 1987, no additional resources are requested for this program. At the base level, the program will adequately represent the United States in its important appellate litigation. Legislative and legal counsel activities will be handled as resources permit.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Cases/Matters Received	166	114	170	170
Briefs Filed	77	72	75	75
Solicitor General Recommendations	18	14	18	18
Decision Not to Participate or Appeal	33	18	25	25
Legal Counsel & Research Assistance Provided	57	54	55	55
Legislative Comment & Testimony	12	6	14	14
Cases/Matters Handled	297	213	275	275

The Division filed 18 papers in the Supreme Court and 54 in the circuit courts of appeals. Fourteen recommendations were submitted to the Office of the Solicitor General concerning appeal or amicus participation and, in all but one, the Solicitor General concurred. Finally, program staff considered appealing or filing as amicus in at least 18 cases and ultimately decided (in some instances after lengthy review) not to participate in the appellate courts.

The Division won 80 percent of its cases in 37 decisions rendered on the merits in the Supreme Court and the courts of appeals. The Supreme Court issued 7 merits decisions in Division cases, 5 of which were consistent with the Government's position. Adopting our arguments, the Supreme Court reversed a Ninth Circuit decision that Section 504 of the Rehabilitation Act of 1973 permits private suits for damages against states, holding that the Act does not abrogate a state's Eleventh Amendment protection, and that such protection is not waived upon the acceptance of federal funds. A unanimous Court, in a case involving a state's proposed limitation on Medicaid coverage for inpatient hospital care, reversed the Sixth Circuit's judgment that a prima facie case of disparate impact had been established, holding that the effect of the challenged policy neither excludes the handicapped from nor denies them meaningful access to the same package of services provided to nonhandicapped persons. In another case, involving an equal protection challenge to a city government's denial of a special use permit to establish a group home for mentally retarded individuals, the Court held that mental retardation is not a quasi-suspect classification requiring a more exacting standard than normally accorded economic and social legislation. The circuit courts of appeals rendered 30 merits decisions, of which 24 were in accord with the Division's contentions. Among those, the Sixth Circuit adopted our views as amicus by holding that a friendship and commerce treaty with Greece does not exempt Greek companies operating in the United States from the prohibitions on employment discrimination on the basis of age or national origin. The First Circuit affirmed a district court finding that a maritime academy discriminated against women in its admissions policies in violation of the Equal Protection Clause of the Fourteenth Amendment. The Eleventh Circuit,

in a criminal case, reversed the district court's suppression of depositions obtained in a civil action (and thus not conforming to the Federal Rules of Criminal Procedure), holding that absent federal involvement in the taking of the depositions, the depositions of criminal defendants or unindicted coconspirators were admissible over defendants' claims of Fifth Amendment privilege.

During the year, in its legal counsel capacity, the program provided 54 written comments to other agencies and divisions and to other offices within the Civil Rights Division, concerning the legal activities of others which have an impact on federal civil rights enforcement or affect the mission of the program. The staff prepared legislative comments or testimony on six matters, including proposed fair housing amendments.

The statistical decrease in activity for 1985 as shown above is due to the fact that the program has encountered a higher than normal turnover in personnel; in addition, the Division has become increasingly involved in more complex cases and in issues not previously addressed, requiring the use of extensive resources.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights prosecution.....	45	44	$2,559	45	44	$2,704	45	44	$2,704	...	...	...

Long-Range Goal: To significantly reduce police criminal misconduct as well as criminal misconduct of other public officials who violate the federal criminal civil rights statutes; eliminate or substantially reduce violent activity by private citizens which interferes with federally protected civil rights on the basis of race, religion, national origin or sex, particularly interference by organized, violent hate groups such as the Ku Klux Klan and Aryan Nations; and eliminate or significantly reduce peonage and involuntary servitude violations, particularly those affecting migrant workers.

Major Objectives:

To expeditiously respond to and cause to be investigated all valid complaints of potential criminal civil rights violations.
To present potentially meritorious incidents to grand juries for investigation and, where warranted, for indictment.
To try cases in which indictments have been returned or informations filed.
To review and authorize criminal civil rights prosecutions proposed by the U.S. Attorneys.
To ensure uniform and effective application of the federal criminal civil rights statutes throughout the country.
To reduce the amount of time required to review and make prosecutive determinations on matters investigated by making decisions not to prosecute within three months of receiving a complaint; initiate prosecution on all meritorious cases within six months of receiving a complaint.
To initiate prosecution of members of organized hate groups such as the Ku Klux Klan and Aryan Nations and other persons involved in incidents of racial violence in violation of federal criminal civil rights statutes.
To continue the outreach program dealing with the victimization of migrant workers in violation of the involuntary servitude and peonage statutes.

Base Program Description: This program is responsible for the investigation and prosecution of violations of the federal criminal civil rights statutes which were designed to preserve personal liberties. Two of these laws (18 U.S.C. 241 and 18 U.S.C. 242), passed during Reconstruction, prohibit persons from acting under color of law or in conspiracy with others to interfere with an individual's federally protected rights. Other statutes enforced prohibit the holding of individuals in peonage (18 U.S.C. 1581) or involuntary servitude (18 U.S.C. 1584). The program is also authorized to enforce provisions of the 1968 Civil Rights Act (18 U.S.C. 245 and 42 U.S.C. 3631) which prohibit the use of force or threats of force to injure or intimidate any person involved in the exercise of certain federal rights and activities. Some 30 additional criminal civil rights statutes fall within the program's jurisdiction but are not frequently used.

The program receives approximately 9,000 complaints and inquiries each year. Of these, about 3,400 are fully investigated by the Federal Bureau of Investigation (FBI). Line attorneys and paralegals are responsible for reviewing the complaints and investigations and making recommendations for further action. The results of approximately 50 to 55 investigations are presented to federal grand juries each year for additional investigation or indictment, and approximately 30 cases are tried annually. Because of the seriousness of criminal civil rights violations and the need in a free society to bring sanctions to bear when such violations occur in order to maintain public confidence in our system of justice, an effort is made, consistent with available resources, to prosecute all meritorious cases in which sufficient evidence exists to establish a violation.

The Division continues to encourage the involvement of United States Attorneys in civil rights prosecutions. Experience demonstrates that prosecutions handled jointly by this program and United States Attorneys' staffs have a greater likelihood of success. Program attorneys are familiar with the substantive issues that repeatedly arise while the Assistant U.S. Attorneys are familiar with local court practices. Coordination is also required with investigative agencies, primarily the FBI but also with the Immigration and Naturalization Service (INS) and the Department of Labor.

At this level of funding, the program will achieve success in accomplishing its objectives. Resources will be available to continue the encouragement of U.S. Attorneys to take a more active role in the prosecution of criminal civil rights violations and to ensure uniform application of the statutes throughout the country. Emphasis will again be placed on prosecutions against members of organized hate groups and other persons involved in incidents of racial violence in conformance with the Department's efforts to combat violent crime. The outreach program to deal with the victimization of migrant workers will also continue.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Complaints Received	8,617	9,044	9,044	9,044
Complaints Reviewed	8,038	8,733	8,733	8,733
Matters Investigated	3,410	2,970	2,970	2,970
Matters Terminated	2,704	3,142	3,142	3,142

Item	1984	1985	Estimates 1986	1987
Average time to close without prosecution (in months).....	7.8	7.3	7.3	7.3
Average time to file a case.....	12.0	13.2	13.2	13.2

During 1985, the program reviewed 9,044 complaints alleging criminal interference with civil rights; 2,970 of these complaints were investigated by the FBI. The results of 56 investigations were presented to federal grand juries; 35 indictments were returned and 13 informations were filed charging a total of 106 defendants, including 67 law enforcement officers. Thirty cases were tried, resulting in the conviction of 41 defendants and the acquittal of 21 defendants. In addition, the 36 defendants who pled guilty to violations of criminal civil rights statutes led to a success rate of almost 80 percent.

Due to particular concern about incidents of racial violence around the country, emphasis was placed on the prosecution of these matters. Eleven racial violence cases were filed in 1985 charging 30 defendants. Six of these 11 cases involved activity of the Ku Klux Klan and charged 16 defendants overall; seven of these defendants have already been found guilty and the remaining nine are awaiting trial. A two-year grand jury investigation of crossburnings and shootings into residences of individuals living in Iredell and Alexander Counties, North Carolina, resulted in the conviction of three members of the White Knights of Liberty as well as the indictment of nine other members. The indictment charges that the defendants sought on many occasions to intimidate white women and black men from associating with each other by burning crosses at their homes and firing guns into their dwellings. In Montgomery, Alabama, three persons associated with the Klan pled guilty to setting fire to the offices of the Southern Poverty Law Center which maintains files on Klan activities. All of the defendants were sentenced to prison terms, with one defendant receiving 15 years for his receipt of stolen explosives. A fourth individual pled guilty and was sentenced to a year's imprisonment for his involvement in another racial incident in Montgomery, the burning of a cross on the residential property of a black county commissioner who had been urging black citizens to boycott a local bank for its alleged discriminatory hiring and lending practices.

Investigations into complaints alleging summary punishment by law enforcement officials continued to account for much of the program's activity. The program was successful in prosecuting 10 police officers in Puerto Rico who were charged with conspiracy to obstruct justice and 35 substantive counts of perjury regarding their participation in the unlawful killing by police of two independence advocates at Cerro Maravilla. After a month-long trial, the jury convicted all 10 defendants, who were sentenced to serve prison terms ranging from a minimum of six years to up to 30 years, with five receiving terms of 20 years or more. Furthermore, special attention was given to the improvement of the federal investigative and prosecutive effort in curtailing police misconduct in Puerto Rico. As a result, four cases were filed during the year against six defendants of whom three have pled guilty, two are awaiting trial and one is a fugitive. After two unsuccessful attempts at local prosecution, a federal grand jury indicted a New Jersey state trooper charged with abuse of his authority as a law enforcement official. The victim, a fatigued motorist who had stopped on the side of the New Jersey Turnpike and had fallen asleep, was taken into custody for drunken driving, became agitated and was then allegedly struck by the trooper about the head with a flashlight. The victim subsequently died. Three other officers have also been indicted for conspiracy to obstruct justice and for perjury relating to the incident. In Tennessee, two police officers and three prison inmate/trustees were prosecuted for beating and sexually assaulting a man and his fiancee while they were in custody for traffic related offenses. The

indictments led to two cases being filed, resulting in the incarceration of all five defendants. The longest sentence was 10 years.

The Division also continued its efforts to deter the victimization of migrant workers and other minorities in violation of the involuntary servitude and peonage statutes. In Los Angeles, California, four defendants indicted for conspiracy to smuggle Indonesian laborers into the United States via fraudulently obtained non-immigrant visas pled guilty, while trial continued against two others charged with conspiracy and violating involuntary servitude statutes. The district court began hearing the case after the government successfully appealed the district court's earlier dismissal of most of the substantive involuntary servitude counts. The court of appeals held that the government need not prove physical force or threat of imprisonment in order to establish a violation of the statutes and reinstated the charges. Three of the defendants received probationary sentences and were ordered to pay fines as well as restitution to the victims. Another case alleging involuntary servitude was filed against two wealthy homeowners who recruited illegal aliens to perform domestic work in their homes in Hawaii, California and Nevada. The victims, recruited predominantly in southern California, were misled as to their working conditions and were subjected to physical abuse.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special litigation.....	37	38	$2,339	37	38	$2,473	37	38	$2,473	...	...	...

Long-Range Goal: To establish and protect constitutional rights of institutionalized persons, mentally and physically handicapped persons of all ages, and persons confined in state and local prisons and jails and enforce federal laws prohibiting racial discrimination in all public facilities such as prisons and jails.

Major Objectives:

To investigate, upon reasonable cause, the conditions of confinement and treatment provided to persons in publicly operated institutions, and to obtain voluntary compliance in correcting any constitutional deficiencies or other violations of federal law.
As a last resort, to initiate civil actions on behalf of persons confined to publicly operated institutions wherein egregious conditions deprive them of their constitutional or federal statutory rights.
To initiate civil actions designed to remove racial discrimination from public facilities.
To participate as plaintiff-intervenor in litigation to establish constitutionally acceptable conditions of confinement, care and treatment of institutionalized populations.
To initiate and participate in litigation to remove discrimination against handicapped persons.
To ensure compliance with judgments or consent decrees obtained in the cases handled by the program.

Base Program Description: This program is responsible for the enforcement of the Civil Rights of Institutionalized Persons Act (CRIPA) which was enacted in May 1980. The Act authorizes the Attorney General to investigate and initiate civil actions on behalf of persons confined to publicly operated institutions wherein flagrant conditions deprive them of their constitutional rights. Such actions may be initiated only after appropriate state or local officials have been afforded a reasonable opportunity to voluntarily remedy unlawful conditions of confinement and have failed to do so. Persons involved include inmates of state prisons and local jails; clients of publicly operated mental health, mental retardation and juvenile detention centers; and, residents of nursing homes, facilities for the physically handicapped and chronically ill. The program also has the responsibility of enforcing compliance with federal laws which prohibit discrimination in public facilities on the basis of a person's race, color, sex, religion or national origin.

The activities of the program are based on the Civil Rights of Institutionalized Persons Act, 42 U.S.C. 1997, Titles III and IX of the Civil Rights Act of 1964, Presidential Directives of November 16, 1971, September 8, 1974, October 11, 1974, April 28, 1976, and November 2, 1980; the Rehabilitation Act of 1973, as amended; the Education of All Handicapped Children Act of 1975, and other legislation enacted which provides funding for programs for the mentally and/or physically disabled. Additionally, the Attorney General has independent pattern and practice authority to file suit where a public facility is receiving revenue sharing funds and is shown to be discriminating on the basis of race, color, religion, sex or national origin.

Under requirements of the CRIPA, the Division must follow a specific enforcement format. When the program receives plausible information that the Act is being violated, it is required to officially inform the Governor or other public officials that an investigation will commence. Investigative techniques include evaluation of the institution's physical plant, programs and practices by expert consultants, review of institutional documents, interviews of persons with knowledge of the institution's operations and analysis of state plans concerning budgetary and other resources. If the results of the investigation indicate an ongoing violation of the Act, program attorneys are required to notify state officials, prior to the filing of a civil action, of the specific factors which may violate the Act and the minimum measures which must be taken to remedy the alleged conditions. After certification by the Attorney General that appropriate state officials have been encouraged to correct deficiencies and have failed to do so, a civil action may be initiated under this Act.

When suit has already been initiated by private parties seeking redress for unconstitutional conditions, the Division may participate as plaintiff-intervenor or as amicus curiae in litigation to establish constitutionally acceptable conditions within the institution. Where investigation indicates that a public facility practices racial discrimination in violation of Title III of the Civil Rights Act of 1964, the program staff initiates civil suit. The program initiates and participates in litigation which has as its purpose the eradication of discrimination directed against handicapped persons as mandated by Section 504 of the Rehabilitation Act of 1973, as amended.

The program monitors compliance with judgments or consent decrees previously entered in the cases on its docket by conducting on-site inspections, reviewing court-mandated reports, by authorizing FBI investigations and, in appropriate cases, by continuing contact with court-appointed monitors responsible for assuring compliance. It presently coordinates its activities with a number of federal organizations including: Federal Prison System; U.S. Marshals Service; Office of Civil Rights, Department of Health and Human Services (HHS); Office of Human Development Services, HHS; Office of Special Education and

Rehabilitative Services, Department of Education (ED); President's Committee on Mental Retardation; Office of Revenue Sharing (ORS), Treasury; Office of Justice Programs; and, the National Center for Child Abuse and Neglect. The Division also exchanges information with various advocacy organizations and the American Bar Association's Commission on the Mentally Disabled.

This level of funding will permit the program to achieve success in accomplishing its major objectives. It will enable the program to: (1) properly investigate all complaints of serious constitutional violations in the field; (2) address referrals from other federal departments and agencies such as HHS, ED and ORS; (3) litigate and conduct compliance monitoring on current cases; and, (4) bring new and significant litigation consistent with national policy.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Cases Filed	5	5	10	10
Cases Closed	6	7	11	7
Cases Pending (end of year)	40	38	37	40
Matters/Complaints	1,386	1,482	1,600	1,650
Matters/General	107	200	250	300
Congressional/White House Referrals	197	192	180	170
Major Institutional Investigations Initiated	11	12	13	14
Major Institutional Investigations Closed	17	10	12	32
Major Institutional Investigations Pending (end of year)	24	26	27	28

In 1985, the program made considerable progress in the enforcement of the CRIPA by initiating eight new institutional investigations, and filing four consent decrees and one new lawsuit. At the close of 1985, a total of 62 CRIPA actions had been opened and 36 investigations had been concluded through voluntary remedial steps, consent decrees or lawsuits.

In July 1984, the consent decree previously negotiated in United States v. Michigan was entered by the court which vindicates the constitutional rights of some 7,500 inmates housed in three Michigan prisons. The program continues to monitor the state's compliance with the terms of this settlement agreement. It also continues to monitor compliance with the consent decree entered in United States v. Indiana which remediates conditions of confinement at two state-operated mental health facilities. Additionally, during 1985, the program negotiated and entered into five other consent decrees. After litigating its first case under CRIPA involving the constitutionality of conditions at Newark City detention facilities in United States v. City of Newark, et al., the Division successfully negotiated a settlement agreement with the city. The agreement, entered by the court on July 15, 1985, remedies conditions at the jail with respect to inadequate sanitation practices, medical screening and delivery of services, food service, security, relief of overcrowding and multiple celling as well as the assurance of basic necessities for the prisoners. Other settlement agreements include: United States v. Maryland which remediates conditions at the Rosewood Center, Maryland's largest mental retardation facility; United States v. Bedford County

which protects the constitutional rights of the inmates confined to the Bedford County Jail, Shelbyville, Tennessee; United States v. Ada County which addresses conditions of confinement at the Ada County Jail, Boise, Idaho; and, United States v. Talladega County which remediates unconstitutional conditions of confinement at the Talladega County Jail, Talladega, Alabama.

In March 1985, a stipulation and order of dismissal were obtained from the court in Hinds General Hospital v. Heckler (S.D. Miss.). The settlement in this case grants HHS access to Hinds in order to investigate an employment discrimination complaint arising under Section 504 of the Rehabilitation Act of 1973. The Order gives HHS the right to receive any and all information related to the complainant's allegations and to do an on-site inspection of the facility to interview necessary personnel. This settlement ends litigation initiated over three years ago by Hinds to prevent HHS from obtaining access to the hospital to investigate the above mentioned section 504 complaint.

In February 1985, the program filed its first CRIPA contested lawsuit involving a mental health facility. The complaint in United States v. Massachusetts alleges that residents of Worcester State Hospital, a 400 bed mental health institution, are being deprived of their due process rights under the Fourteenth Amendment. The unconstitutional conditions alleged in the complaint include: failure to ensure that qualified professional judgments necessary to ensure safe conditions of confinement and freedom from undue bodily restraint are made and implemented; use of drugs in an unsafe fashion; and use of restraint, seclusion and time-out in a manner which constitutes undue bodily restraint.

In addition to the consent decrees entered pursuant to the Act, the program has also obtained favorable results from its investigations through voluntary remedial efforts undertaken by state and county officials to correct constitutional deficiencies in affected institutions. The program emphasizes remediation of unconstitutional conditions through negotiation and conciliation, as contemplated by the Act, and encourages states to voluntarily raise the level of conditions of confinement in their facilities to constitutional minima. For example, after conducting an investigation of Enid State School, a mental retardation facility in Oklahoma, the State acknowledged serious deficiencies at the facility and devised and implemented a voluntary plan of correction to address those concerns. A follow-up review of Enid revealed that many substantial and necessary improvements had been made raising the level of care and conditions of confinement to a constitutionally acceptable level. Other states where the Division has terminated investigations during 1985 as a result of responsible authorities taking voluntary steps to improve conditions at their institutions include: Mississippi, New York, California, and Hawaii.

Investigations undertaken pursuant to the Act involve a variety of different facilities. The Division continued investigations of mental health facilities in Illinois, California, Massachusetts, Michigan and South Carolina; mental retardation facilities in Louisiana, New Mexico, Oklahoma, Connecticut, Ohio, Mississippi, Oregon, and Colorado; prisons in Alabama, California, Hawaii, New York, Arkansas, and the Virgin Islands; and, two juvenile facilities in California. Each of these investigations requires exhaustive review of the physical facilities, institutional policies, quality of services provided by staff, and information contained in institutional documents. The program has acted on complaints of inadequate medical care, insufficiently trained direct care and professional staff, unsanitary and hazardous physical environments, misuse of physical and chemical restraint and seclusion, and failure to provide constitutionally mandated training programs.

In addition to activities under the CRIPA, the program has participated in many conditions of confinement suits on behalf of institutionalized persons. As a result of such litigation, conditions in residential institutions in many states are improving.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Voting	68	71	$3,306	68	71	$3,481	68	71	$3,481	...	...	...

Long-Range Goal: To prevent and eliminate systemic barriers to the full participation by racial and language minorities and overseas, blind, handicapped, disabled and illiterate citizens in the electoral process, and to achieve effective remedies for those citizens in specific instances where their right to vote has been denied or abridged.

Major Objectives:

To prevent through the Section 5 preclearance program the implementation of new standards, practices and procedures that have the purpose or effect of denying or abridging racial and language minorities' right to vote throughout the 909 counties specially covered by the Voting Rights Act (VRA).
To assure the assignment of federal observers to those polling places within the specially covered counties where observer personnel are needed to document misdeeds in the electoral process or to ensure confidence of the minority community in the electoral process and actions of individuals conducting the elections.
To provide a federal alternative for voter registration when the actions and practices of local authorities discriminatorily deny racial and language minorities' access to the voter registration rolls.
To defend lawsuits that are brought against the United States under the special provisions of the VRA before three-judge panels in the United States District Court for the District of Columbia to preclear voting changes and to terminate coverage.
To initiate lawsuits against jurisdictions that violate the preclearance requirements of Section 5.
To discover and remedy methods of conducting elections that dilute the voting strength of racial and language minorities.
To discover and remedy actions of state and local election and voter registration administrators that prevent a full and fair exercise of the franchise by racial and language minorities, overseas citizens, and voters who are elderly, handicapped, blind, disabled or are unable to read or write.

Base Program Description: The program is divided into two components. The Section 5 component, staffed by equal opportunity specialists/program analysts under the supervision of attorneys, reviews changes in voting practices or procedures proposed by the 909 jurisdictions which are required to have such changes cleared before they can be implemented. If a jurisdiction fails to carry its burden of proving that a change does not have a discriminatory purpose or effect, this program recommends to the Assistant Attorney General that he interpose an objection to the change. As an alternative to administrative preclearance, the VRA provides that jurisdictions may seek judicial preclearance through declaratory judgment suits. The

litigation component of the program handles these suits, brings suits against jurisdictions which implement voting changes which have not been precleared, and handles suits under the provision of the Act that allows jurisdictions to seek a judicial determination that they no longer need to be subject to the preclearance requirement. The preclearance requirements of the VRA relate to changes in voting practices and procedures.

Other provisions of the Act and other voting laws relate to existing practices and procedures which were instituted before the Act went into effect in jurisdictions covered by the special provisions, or those which exist in jurisdictions not covered by the special provisions. The litigation component brings lawsuits to remedy existing practices which result in the denial or abridgment of minorities' voting rights by maintaining systems of election that dilute minority voting strength, and by restricting participation in the electoral process by minorities, overseas citizens, and voters who are elderly, handicapped, blind, disabled or illiterate. Enforcement of the 1975 exclusive English prohibition is handled through the administration and litigative enforcement mechanisms described above. In addition, staff members assist local election officials in understanding their responsibilities for assisting language minorities and voters who are elderly, handicapped, blind, disabled or are unable to read or write in exercising their voting rights. In a similar manner, the program helps U.S. Attorneys carry out their language provision enforcement responsibilities.

Both components of the program assist in determining where federal observers are needed to observe election day activities (to report indications of interference with or abridgment of minorities' voting rights). Through file reviews, telephone contacts and field surveys, jurisdictions needing coverage are identified, appropriate numbers and locations of observers are determined, and the Office of Personnel Management is contacted to work out the appointment and deployment of observers. The program's attorneys work closely with the observers and coordinate their activities and information on election day.

The program also encourages the ultimate goal of voluntary compliance with federal civil rights voting laws by remaining available to confer with other elements of the Federal Government, such as the Federal Election Commission, the Department of Defense, and the Bureau of the Census, and with individuals and associations of state and local election administrators, such as Secretaries of State and county clerks, regarding their concerns about the impact of federal law and regarding the Department's position with respect to the import and requirements of federal law.

At this resource level, the Section 5 preclearance program, the defense of lawsuits against the United States, and the initiation of lawsuits to remedy some obvious violations of the Section 5 preclearance requirements are objectives that will be met. The funding levels will permit investigations that lead to the use of federal observers for monitoring discriminatory balloting procedures; allow limited efforts to discover where it is necessary to provide a federal alternative for voter registration when local officials impede minorities' access to the rolls; allow litigative efforts to remedy the most egregious of such impediments to minorities and overseas citizens; and, allow the program to initiate three or four new dilution lawsuits.

Factors such as the number of jurisdictions that choose to file suit against the United States, and the appearance of unique legal issues and/or unusually complex factual situations in pending lawsuits, will continue to impact on the program's ability to employ resources to initiate new actions. However, insofar as possible, for 1987 these factors have been considered in the estimates of the program's ability to make significant progress toward accomplishing its objectives.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Defensive Litigation	15	4	3	4
Offensive Litigation	189	343	126	145
Section 5 Submissions Received	3,463	3,041	2,500	2,500
Section 5 Submissions Processed	3,463	3,041	2,500	2,500
Matters Received	125	184	55	65
Matters Terminated	35	118	41	50
Cases Filed	24	17	15	15
Cases Closed	5	32	15	15

During the year, 3,041 submissions involving more than 14,000 changes were submitted to the Attorney General under Section 5 and 102 objections were interposed to voting changes. The changes involved in these objections included a modification of the North Carolina State House districts to which an objection also had been interposed in 1984, and which later were modified again and precleared under Section 5 when they finally were found to allow minorities fair representation within single-member districts; plans in Florida and South Carolina that violated the requirements of Section 208 of the VRA for allowing illiterate and other voters to obtain assistance from persons of their choosing; three instances where the scheduling of elections or candidate qualification periods disadvantaged minorities in North Carolina, South Carolina and Texas; and, the use of at large elections, either in connection with annexations or numbered posts, and redistricting plans that unfairly denied minorities opportunities for equal participation in the electoral process of counties, cities and school districts in Mississippi, North Carolina, South Carolina, and Texas. Equally as important, objections that were interposed by the Attorney General in 1985 and earlier years led to the adoption and preclearance in 1985 of methods of elections that fairly recognized minorities' voting strength in Georgia, Mississippi and North Carolina.

The program participated in 17 new cases during the year. Of the 16 lawsuits filed as plaintiff, six were brought prior to the November 1984 Presidential election to achieve compliance by the States of Alabama, Arkansas, Minnesota, Montana, New Hampshire, and Wisconsin with the Overseas Citizens Voting Rights Act, as was a lawsuit in September 1984 against Colorado. All were resolved by court orders that allowed overseas voters' absentee ballots to be counted for the Presidential election if they were postmarked by election day and received within 10 to 14 days thereafter. Other lawsuits as plaintiff included four to enforce Section 5 of the VRA, five to enjoin dilution of minorities' voting rights through the use of at large election or malaportioned election districts in violation of Section 2 of the Act, and a lawsuit to compel Arkansas to comply with the voter assistance provisions of Section 208 of the Act. In addition, a brief was filed as amicus curiae on an issue involving the availability of attorneys' fees for comments made during the administrative review process under Section 5 of the Act.

The court orders that were entered in the cases filed by the program under the Overseas Voting Rights Act allowed the votes of 2,768 people to be counted in the 1984 Presidential election. In addition, four consent decrees in actions to enforce Section 2 of the VRA led cities, counties and school boards to adopt racially fair districting plans to replace dilutive at large

elections before the end of 1985, including a decree in the program's first VRA lawsuit against a Maryland jurisdiction. The effectiveness of such Section 2 relief was demonstrated dramatically when for the first time in history black candidates were elected in 1985 to the city council and the school board of Valdosta, Georgia, using election districts adopted, respectively, under 1984 and 1985 consent decrees with those political units. In another dramatic development, the end of seven years of litigation was signaled when a federal district court in Alabama, in a Section 2 case on remand from the 11th Circuit Court of Appeals, entered its decision that the at large method of election for the county commission and the school board in Marengo County, Alabama, results in a denial of minorities' voting rights and must be replaced by a fair single-member district plan. Other special provisions of the VRA authorize the Attorney General to assign federal observers to monitor elections to ensure that the right to vote and to have the vote properly counted is not denied during the election process. Under these provisions, 700 observers were assigned to cover 12 elections in 29 counties in five states in 1985. Of this number, 307 observers served in 11 Mississippi counties during the 1984 Presidential election.

In May program attorneys and paralegals contacted 78 jurisdictions from which no response had been received to a request for a submission under Section 5 of the VRA or for additional information on a pending Section 5 submission. Nearly all of the jurisdictions now will take the action that is needed. In January 1984 each state was notified of Section 208 of the VRA, a provision that became effective on January 1, 1984, to allow a voter requiring assistance because of blindness, disability or inability to read or write to obtain assistance from virtually any person the voter chooses. The program's review of Section 208 compliance in October 1984 led to the lawsuit and court order against the procedures sought to be used in Arkansas. Also in October 1984 the program's close cooperation with the Department of Defense's Federal Voting Assistance Program resulted in seven lawsuits to ensure that civilian and military citizens overseas would be given a realistic opportunity to vote by absentee ballot. In April 1985 letters were sent to notify each state of the new Voting Accessibility for the Elderly and Handicapped Act which the Attorney General is responsible for enforcing, and in May 1985 proposed revisions in the Attorney General's guidelines for submissions under Section 5 of the VRA were published in the Federal Register to bring the guidelines up to date and to add a new subpart describing the substantive standards followed in the review of submissions.

During the year, efforts to utilize volunteer interns and paid stay-in school employees continued to augment the permanent staff in the processing and review procedures for voting changes submitted under Section 5, and the number of such personnel reached a total of 11 during 1985. Advances were made toward incorporating in-house computer support into the program's litigation efforts by initiating training and developing programs for conducting linear regression analysis to determine whether patterns of racial bloc voting contribute to the dilution of minorities' voting strength. Computer programming also was initiated to provide management with data regarding the assignment of federal obsevers. Revisions in the report form used by federal observers were made to refine the major changes in the form made in 1984 to reduce the time that federal observers need to spend in the field to prepare and be debriefed on their reports by allowing information to be recorded and reported more easily and accurately.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employment litigation.....	63	64	$3,492	63	64	$3,687	63	64	$3,687	...	...	...

Long-Range Goal: To substantially reduce discrimination in employment by State and local governmental units and private federal contractors.

Major Objectives:

To eradicate unlawful employment discrimination.
To develop the legal principles necessary to create a nationwide climate where voluntary compliance with laws and orders against discriminatory employment practices can be achieved.
To monitor and enforce existing court orders to ensure compliance so that the results sought by litigation are obtained.
To enforce, through Division-initiated litigation, Title VII in the public sector.
To issue right-to-sue notices based on referrals from the Equal Employment Opportunity Commission (EEOC).
To litigate in both the public and private sectors based on referrals from the EEOC and the Office of Federal Contract Compliance Programs (OFCCP).
To cooperate with attorneys and private litigants by intervening or by participating as amicus curiae in private suits when the Federal Government's position is important to the development of case law.

Base Program Description: This program addresses the problems of discriminatory employment practices of state and local governments. The failure to remedy discriminatory conduct against those persons will be reflected not only in immediate disadvantages, but also in a perpetuation of the effects of past discriminatory practices.

The program enforces federal laws which prohibit discriminatory employment practices which result in the denial of equal employment opportunities because of race, color, religion, sex, national origin or handicap. Approximately 10 million jobs involved in the public sector and upwards of 30 million jobs in the private sector are subject to Executive Order 11246.

This program investigates and, when necessary, initiates litigation with respect to problems peculiar to employment discrimination. Litigation is used only when negotiation does not result in voluntary compliance. All suits, whether in the public or private sector, seek to remedy all forms of purposeful discrimination and practices having a discriminatory impact such as those that result from restrictive seniority and transfer systems superimposed upon the patterns of initial discriminatory assignments and exclusion; the use of unvalidated tests and other selection and promotional practices and standards which have disproportionate adverse impact upon racial, ethnic, and religious minorities and upon females; abuses of managerial discretion; and, discriminatory training systems and programs. Major elements of relief sought include: reformation of seniority and transfer systems, restructuring of lines of promotion, numerical recruitment goals for minorities and females, validation of tests and other selection and promotional practices, elimination or change of other employment practices having unnecessary discriminatory effects and back pay. The Division is currently seeking new and innovative methods to remedy the problem of employment discrimination. Litigation conducted by the program is concluded by consent or litigated decrees. Trials frequently exceed four months in length. Preparation time for those trials has, in some instances, increased dramatically because of resistance to the Division's enforcement efforts by intractable defendants.

The centralization of this effort within this Division provides national coordination of activities among EEOC, OFCCP, the Office of Justice Programs, and the Office of Revenue Sharing.

The program is charged with enforcing the following statutes and Executive Orders:

— Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, 42 U.S.C. 2000e, et seq.
-- Title IX of the Education Amendments of 1972, 20 U.S.C. 1681, et seq., in matters involving discriminatory employment practices.
-- Title I of the State and Local Fiscal Assistance Act of 1972, as amended by the State and Local Assistance Amendments of 1976, 31 U.S.C. 1221, et seq.
-- Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended through the Crime Control Act of 1976, 42 U.S.C. 3701, et seq.
-- Executive Order No. 11246, as amended, which prohibits employment discrimination by federal contractors or subcontractors or on federally funded projects.
-- Sections 503 and 504 of the Rehabilitation Act of 1973, 29 U.S.C. 793, et seq.

The degree of this program's success will be measured both by statistical analysis of changes in employment patterns and by a reduction in the number of complaints of discrimination filed with the EEOC and other agencies. Hopefully, the program's litigation effort will have the desired impact on not only those employers and administrative units sued by this Department, but also on other units in the form of the development and meaningful implementation of appropriate affirmative action plans.

The program is trying to increase the number of suits filed based on referrals from EEOC of charges of employment discrimination filed against state and local governments. In the past, many such referrals were rejected due to the fact that: the charges involved had been pending for such a long period of time; the initiation of litigation was deemed inappropriate because the facts were stale; the witnesses were no longer available; or, the practices of the respondents had changed to the extent that no further relief was necessary. The Commission's new procedures have resulted in fresher charges being referred to this program and, as a result, the percentage of those appropriate for action is increasing. In addition, the program is working with the Commission on a program to target charges for eventual litigation.

At this level of funding, major existing decrees and present litigation will be handled. The program will become involved in those cases in which the United States is a defendant. Approximately 15 new cases will be filed. (It should be noted that if resistence to the program's enforcement efforts continues to increase, the number of cases which can be brought will drop accordingly.) Referrals by EEOC and other agencies for litigation will be handled as resources permit. New investigations will be initiated at the 1986 level.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Agency Referrals	281	263	350	350
Investigative Matters Received	15	15	15	15

Item	1984	1985	Estimates 1986	1987
Cases Commenced	19	9	20	15
Cases Terminated	18	5	10	10
Right-to-Sue Notice Requests Received	1,220	1,190	1,300	1,300
Right-to-Sue Notices Issued	1,484	1,368	1,400	1,400
Decrees Enforced	121	154	170	190
Decrees Obtained	10	11	17	17

In 1985, the program filed nine new suits and has obtained agreement to eleven consent decrees in cases brought under Title VII of the Civil Rights Act of 1964, Executive Order 11246 and other provisions of federal law prohibiting discriminatory employment practices based upon race, religion, sex and national origin. The decrees reflect the Department's policies of seeking vindication of the rights of victims of discriminatory practices, but not seeking (and indeed opposing) preferential treatment in hiring, promotion, assignment or layoff for those who were not victims. The consent decrees provided for the payment of over $5,000,000 in backpay awards to persons identified as having been harmed by prior practices, plus the elimination of unlawfully discriminatory practices, and enhanced recruitment of the group(s) previously excluded.

Many of the suits filed during 1985 involved the practices of substantial employers, in which a pattern or practice of discriminatory employment has been alleged. Consistent with the Division's policy of seeking to vindicate the rights of individual victims, and of supporting the efforts of EEOC to obtain voluntary compliance, three of the suits have been based, in part, upon referrals from EEOC and involve allegations of discriminatory practices by public employers against one or a few victims. While the number of jobs covered by such suits based on EEOC referrals is small, the number of job opportunities affected by such suits is great because of the resulting enhancement of EEOC's ability to obtain relief through negotiations with discriminatory employers.

The ability of the program to initiate new lawsuits has been hampered by the increased demands on resources presented by previously filed lawsuits. In four cases, additional proceedings have been necessary where the defendants were under existing decrees. In one case, where there has been the threat of a new trial, the amount of discovery and analysis and compilation of evidence has been extremely burdensome. In addition, other pending cases have required inordinate amounts of resources, both because of the resistance on the part of defendants and because of the time and personnel devoted to new analytical techniques involving a high reliance on statistical analyses which has necessitated preparation from raw files of computer data sets. The process includes visual review and coding of hard copy documents, conversion of information to electronic form and manipulation of the data to produce useful evidence regarding patterns in testing and applications as well as the entitlement of individual claimants to backpay awards. In order to develop the procedures, it was necessary to instruct personnel as to the methodology of potential applications. The even greater utilization of computers for the analysis of evidence and the processing of individual claims has resulted in a greater drain on resources during 1985. However, the application of methods developed during 1985 will result in greater efficiencies in managing future lawsuits.

The program has continued to take steps to avoid any backlog in the issuance of Notices of Right to Sue requested in Title VII cases and to avoid any recurrence of such a backlog. A major problem has been presented by the fact that the transmittal of information by EEOC district and area offices had been decentralized within these offices. (There are 49 such offices located throughout the continental United States.) Staff members have continued to work with EEOC to the end that appropriate instructions are developed and disseminated. (During the year, a revised transmittal form was jointly developed which, based on results to date, has enhanced the efficiency of what is basically an interagency effort.) The result of the effort has been a reduction in the proportion of incomplete transmittals from EEOC to the Department from approximately one-third to less than ten percent. The program is continuing to work with EEOC toward an even greater reduction. The program also continued to rely more heavily on word processors and computers to generate both the Notices and periodic reports concerning the requests for such Notices and subsequent actions taken on them. As a result, Notices are generally issued within less than a week of the receipt of complete information from EEOC and staff members are able to respond in a more expeditious manner to requests for information concerning the issuance of those Notices. The increased efficiencies, both interagency and intraagency, have reduced the number of requests for information as to the status of Notices which have been requested but not yet issued, as well as the time spent responding to those requests, with a corresponding reduction in the support staff resources necessary to carry out the Division's responsibilities in this area.

A similar program has had to be undertaken with respect to referrals to the Attorney General by EEOC of charges against state and local governmental entities in those instances where EEOC has found reasonable cause to believe that discriminatory practices have occurred but attempts to negotiate conciliated settlements between the parties have been unsuccessful. Title VII requires that such charges be referred to the Attorney General for determination as to whether the Division will file a lawsuit. However, the program has discovered that clerical problems caused by a combination of turnovers, reassignments and reductions-in-force have resulted in the failure of many of the 49 EEOC district and area offices to refer the files relating to those charges in accordance with the statute. The extent of the problem has been determined, in part, by computer analysis of this year's and prior year's referrals. In addition, the EEOC offices are being contacted to ascertain with greater precision what each office has encountered in this regard. The corrective measures being taken to eliminate this situation will be reflected in a reduction in agency referrals during 1985 and a temporary increase during 1986 and 1987, when files which should have been referred previously are finally referred.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Coordination and review.....	39	42	$2,240	39	42	$2,369	39	42	$2,369	...	...	...

Long-Range Goal: To achieve consistent and effective enforcement of various laws and regulations prohibiting discriminatory practices in Federal programs and programs receiving Federal financial assistance; maximize use of existing Federal, state, and local civil rights enforcement resources; and, minimize the costs associated with Federal civil rights programs while maintaining the level of responsiveness to citizens who feel that their civil rights have been violated.

Major Objectives:

To maintain continuing oversight and control of all Executive agencies covered by Executive Order 12250.
To maintain a continuing liaison with other legal divisions, the U.S. Attorneys' offices, the Civil Division, other programs of the Civil Rights Division, and other Federal agencies regarding civil rights litigation.
To review, evaluate, and monitor, on an annual basis, all implementation plans submitted by Executive agencies.
To review those proposed or final agency regulations or substantive amendments to existing regulations which are promulgated under a statute subject to Executive Order 12250.
To provide agencies with guidance in the form of prototype regulations for implementation of Section 504 of the Rehabilitation Act of 1973, as amended, as it concerns federally conducted programs.
To provide staff support to the Assistant Attorney General for Civil Rights as Chairman of the Interagency Coordinating Council (ICC) and as a member of the Architectural and Transportation Barriers Compliance Board (ATBCB).
To provide assistance to Department of Justice (DOJ) organizations in the development and implementation of a Section 504 regulation covering the Department's federally conducted programs and activities.

Base Program Description: This program ensures that all federal Executive agencies effectively and consistently implement Title VI of the 1964 Civil Rights Act, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the nondiscrimination provisions of other federal grant statutes prohibiting discrimination on the basis of race, color, national origin, handicap, religion or sex. Under Executive Order 12250, the program undertakes a diverse array of regulatory and administrative initiatives. The program reviews all new civil rights regulations for consistency, adequacy, and clarity, and assists agencies on new civil rights plans, offers agencies training and technical assistance to improve their civil rights enforcement procedures and programs, and promotes interagency information sharing and cooperation.

In addition, the program provides litigation support to the Office of the Solicitor General, the Civil Division, and other federal agencies in various lawsuits. This assistance takes many forms including providing advice on the strategy of a case or on particular motions or briefs, writing pleadings and affidavits, preparing court requested status reports, answering interrogatories, and furnishing testimony. Finally, the program provides staff support to the Assistant Attorney General for his roles on the ICC and on the ATBCB.

At this level of funding, this program will be able to adequately address the responsibilities assigned to the Attorney General by Executive Order 12250. The program will be able to handle the growing demand from agencies for legal guidance and continue to provide staff support to the ICC and ATBCB. In addition, some discretionary objectives (e.g., provision of technical assistance, training sessions and conducting in-depth reviews of agency programs) will be possible. Also, the program will be able to assist the DOJ organizations in implementing its Section 504 federally conducted regulation.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

862

Item	1984	1985	Estimates 1986	1987
Non-Regulatory Documents Reviewed	364	547	656	602
A-11 Analysis	25	27	27	27
Responses to Citizens and Public Officials	1,726	224	2,308	243
Agency Reviews Conducted	55	27	27	27
Delegation Agreements Developed or Implemented	1	0	7	7
Training/Presentations Provided	27	14	20	25
Litigation Documents Prepared or Reviewed (e.g., Pleadings, Briefs, Interrogatories)	27	35	37	40
Legal Policy and Program Guidance Developed	119	58	60	63
Technical Assistance Provided	1,345	945	982	1,022
Regulations Reviewed	79	59	60	60

In 1985 the program received 64 regulations for review, finished reviewing 59 and returned 43 reviewed regulations to agencies with comments. Included were, among others, regulations from the Departments of Transportation (DOT), Treasury, Housing and Urban Development (HUD), Education, and Agriculture. As part of this effort, the program also continued to assist federal agencies in developing and publishing regulations to implement Section 504's prohibition against discrimination on the basis of handicap in the programs and activities conducted by federal agencies. The Federal Reserve System and the Selective Service System published Section 504 regulations in final form. Eight agencies published notices of proposed rulemaking. The program commented on the proposed or final regulations of 17 federal agencies. It also developed a prototype regulation to assist agencies to modify their regulations to reference the Uniform Federal Accessibility Standards.

During 1984, program staff made arrangements with the Office of the Federal Register to coordinate joint publications of proposed Section 504 regulations for 39 agencies. In 1985, the final rule for the agencies that participated in the first joint publication was approved by the Assistant Attorney General, the Equal Employment Opportunity Commission, and the Office of Management and Budget for publication in final form. The final rule for the 21 agencies that participated in the second joint publication has been drafted and is in the process of being approved. The program has drafted and is reviewing a proposed rule for a third joint publication. Because of the more economical joint publications approach, as in 1984, the savings in Federal Register costs to the publishing agencies and in staff time at the reviewing agencies during 1985 was at least $200,000.

The program provided staff support to the Assistant Attorney General for Civil Rights in his capacity as Chairman of the ICC and as a member of the ATBCB. The ICC was established by the 1978 amendments to the Rehabilitation Act to coordinate and facilitate the effective Federal implementation of Title V of that Act. As part of the program's work with the ICC, it developed background information related to a recommendation that a ceiling exemption be granted for federal agencies to readers for blind employees, interpreters for deaf employees, and the other assistants for handicapped employees. The ATBCB is responsible for enforcing the accessibility standards issued under the Architectural Barriers Act (ABA). During 1985, the program provided oral and written comments to the Assistant Attorney General on more than 50 legal and policy issues and drafted 20 documents on behalf of the Assistant Attorney General for submission to the Board.

59-584 O—86——28

The program has maintained an on-going network to communicate policies, provide technical assistance, and monitor the activities of covered federal agencies. This network makes possible the continuing review of agency civil rights program operations in order to identify technical assistance needs and assess compliance with existing DOJ standards and policies. In addition, the Civil Rights Forum, the program's quarterly government-wide newsletter, was distributed. In its coordination and clearinghouse role, the program received, referred, and provided technical assistance on a variety of citizen, agency, and congressional complaints and inquiries. Action frequently involved determining appropriate agency jurisdiction and coordinating referral and subsequent action when more than one agency had jurisdiction.

In addition to technical assistance and training, the decision unit continued to provide policy guidance on the legal requirements of the civil rights statutes by reviewing over 500 documents submitted. This most often took the form of requests from individual agencies relating to their enforcement of Section 504 and other statutes including and: (1) applicability of Section 504 to employees of contractors providing vending machines and general custodial services at rest stops on highways built with Federal financial assistance from the Department of Transportation; (2) applicability of Section 504 to the activities of Central Non-Profit Agencies working with the Committee for Purchase from Blind and Other Severely Handicappped; and, (3) scope of the civil rights compliance program responsibilities of the General Services Administration specifically with respect to the conduct of compliance reviews.

The program completed a number of projects affecting all covered Executive agencies. These included: (1) negotiating the revisions to the model delegation agreement and working to bring together the lead agencies with potential delegating agencies to negotiate a series of new delegation agreements; (2) development of a second set of technical assistance guides to aid agencies in meeting their Section 504 responsibilities; and, (3) development of Section 504 training seminars for federal executive agencies. The first two seminars were given to Revenue Sharing staff over a four-day period.

The program provided litigation support to the Civil Division in various lawsuits. In Department of Justice Handicapped Employees Association v. Meese, the program participated extensively in the drafting of pleadings and the development of litigation strategy to defend the legal validity of the Department's Section 504 regulation for federally conducted programs and activities. The program continued to work closely with the Civil Division in Williams v. United States and Paralyzed Veterans of America v. Meese to monitor and facilitate the compliance of federal agencies with their Section 504 rulemaking obligations. The staff continues to assist the Civil Rights Division, the Civil Division and HUD in formulating positions in response to a class action lawsuit against HUD, brought by tenants of and applicants for federally assisted housing in Texas, alleging, inter alia, that HUD extended federal financial assistance to such programs, but did not enforce Title VI. The program provided litigation support to the Civil Division, Civil Rights Division, and DOT as various pleadings were prepared in Disabled Rights Task Force v. Regional Transit Authority, which seeks to compel DOT to issue a final regulation concerning surface transportation services for handicapped and elderly persons, and in DOT v. Paralyzed Veterans of America, which the Supreme Court has granted certiorari on an issue relating to the validity of the Civil Aeronautics Board's regulation prohibiting discrimination on the basis of handicap by airlines. The program prepared analyses for the Assistant Attorney General with respect to Orias v. Department of Navy on the issue of whether the affirmative action obligation of Section 501 of the Rehabilitation Act imposes a duty on federal agencies to reassign, rather than terminate, an employee who becomes handicapped subsequent to the time of employment. The staff provided input on the Government's brief in Smith v. Christian (Department of Navy) on the applicability of Sections 501 and 504 to physical standards for applicants for commissions as Reserve Officers. The program worked closely with the Civil Division in Disabled in Action v. Pierce, which

concerns the applicability of the ABA and Section 504 to an office building leased by HUD. The program provided input to the Appellate Program of the Civil Rights Division for the appeal of Whitlock v. Donovan in which the District Court for the District of Columbia found that the Department of Labor violated Section 501 in terminating an alcoholic employee.

On October 11, 1984 the DOJ 504 federally conducted regulation (Enforcement of Nondiscrimination on the Basis of Handicap in Federally Conducted Programs and Activities) became effective. It affected 24 organizations in DOJ. Program staff worked with these organizations to assist them in preparing their respective transition plans and self-evaluations. The larger component agencies have set up task forces to prepare their respective plans (with technical assistance from program staff) while the program has written the plans for the smaller components. These draft transition plans and self-evaluations are now under review.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement.....	33	34	$1,901	33	34	$2,006	33	34	$2,006	...	...	...

Long-Range Goal: To eliminate a significant portion of the illegal discrimination and racial segregation in housing opportunities and eliminate a significant portion of the illegal discrimination in credit transactions; secure general compliance with the Equal Credit Opportunity Act (ECOA) and its implementing regulations; and coordinate, the United States Attorneys' enforcement of federal laws prohibiting discrimination in places of public accommodation on the basis of race, color, religion or national origin.

Major Objectives:

To investigate compliance with and initiate litigation to enforce the Fair Housing Act and the Equal Credit Opportunity Act (ECOA), and bring such litigation to successful completion.
To initiate litigation, upon referral from the Department of Housing and Urban Development (HUD), to remedy local government bodies' noncompliance with their housing-related obligations under the 1974 Housing and Community Development Act.
To monitor final court orders resulting from suits under the Fair Housing Act and the ECOA, and move for contempt of court or other relief where the facts warrant.
To communicate equal housing and equal credit opportunity information to the public by liaison with federal, state, and local enforcement agencies and private civil rights and fair housing groups.
To investigate compliance with and initiate litigation to enforce the provisions of the Revenue Sharing Act, 31 U.S.C. 1242, and the 1974 Housing and Community Development Act, 42 U.S.C. 5309, relating to municipal services.
To direct and generally supervise the U.S. Attorneys in the enforcement of Title II of the Civil Rights Act of 1964 (Public Accommodations) and, in appropriate circumstances, initiate lawsuits under this statute.

Base Program Description: In November 1983 the General Litigation Program was reorganized and divided into two components to provide a greater focus on the separate areas. The Housing and Civil Enforcement Program carries out the Division's enforcement program related to the Fair Housing Act, the ECOA, Title II of the Civil Rights Act of 1964 (formerly handled by the Special Litigation Program) and those statutes prohibiting discrimination in the provisions of municipal services under federally funded programs (formerly assigned to the Employment Litigation Program). Fifty percent of the resources of the former program have been allocated to the Housing and Civil Enforcement Program. This represents an increase in the workyears and dollars available for housing and related functions. The Housing and Civil Enforcement Program is ranked as a major priority of the Division. The creation of the program has placed increased emphasis on the Division's Fair Housing Act enforcement activity and on working with HUD to identify and bring to court persons and corporations operating in violation of that statute. It also provides any necessary support for legislative initiatives relating to fair housing which the administration may propose or support.

The major objectives of the program are accomplished with assistance from local U.S. Attorney's offices and the Federal Bureau of Investigation. The housing and credit program activities must be coordinated with HUD, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Trade Commission, and the National Credit Union Administration. HUD's responsibilities under the Fair Housing Act include the investigation and conciliation of individual complaints alleging prohibited discrimination. HUD also refers certain matters to this program that they believe merit consideration under the Division's pattern and practice jurisdiction. Coordination with HUD is thus required so that a sound and consistent policy may be developed in the interpretation of the Fair Housing Act and in the types of relief that are appropriate for victims of the prohibited discrimination. Coordination with the agencies responsible for overseeing the operations of creditors is necessary to obtain information about patterns and practices of discrimination and to avoid duplication of enforcement effort. Coordination is further required with those state and local civil rights agencies that have jurisdiction under local law to seek to prevent the types of prohibited discrimination covered by federal law. Current and planned mechanisms include an exchange of information among program staff at HUD, and other agencies that have Fair Housing Act and ECOA responsibilities.

At this level of funding the program will be able to continue an effective litigation program to enforce the Fair Housing Act and the ECOA. The program will initiate a significant number of standard suits and a few of the more complex cases involving racial redlining by lenders or actions against municipalities for housing or services violations. The program will conduct investigations of municipalities for possible action relating to services and bring one or two cases pursuant to the revenue sharing statute.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Cases/Matters Received	250	250	290	300
Investigations Conducted	150	180	185	210
Matters Closed	120	200	80	90

Item	1984	1985	Estimates 1986	1987
Cases Filed	24	23	30	35
Cases Closed	40	10	13	15
Judgments/Decrees Obtained	10	21	20	25

Program staff represent the United States in suits alleging a pattern or practice of violations of the Fair Housing Act. Suits involve such prohibited actions as refusal to sell or rent a dwelling to a person on the basis of race, sex or religion; zoning and other exclusionary practices, such as the withdrawal from programs intended to provide housing for minority persons because of the race of the potential residents; and, failure to count the income of women on the same basis as men in determining whether to make housing available to an applicant. During 1985, the program filed 16 Fair Housing Act cases and successfully negotiated consent decrees in 21 suits. The cases initiated include suits against apartment owners, rental agencies, real estate firms and resort developments. Two of the new cases brought allege that the Recorder of Deeds and a residential subdivision in the Houston, Texas metropolitan area violated federal fair housing laws by using and publishing deeds with racially restrictive covenants. These are the first cases challenging restrictive covenants brought by the Attorney General.

Since the passage of the ECOA, program personnel have worked closely with federal regulatory agencies and have filed significant suits challenging the nonhousing lending practices of banks, credit unions, small loan companies and retail creditors. Similar suits have been brought under both the ECOA and the Fair Housing Act to correct the unlawful practices of mortgage lenders. During 1985, the program commenced and resolved, through consent decrees, suits against two nationwide creditors, United States v. Household Finance Corporation (HFC) and United States v. General Motors Acceptance Corporation (GMAC). These companies are among the world's largest firms dealing in the types of credit they handle, with GMAC, the world's largest finance company, having over $38 billion in outstanding credit at the end of 1982. The HFC litigation involved allegations of marital status and sex discrimination, while the GMAC case focused on claims of discrimination against American Indians. In another ECOA case, which also involved housing allegations, a complaint and consent decree were filed against a large developer in Nevada.

After responsibility for coordinating the Title II enforcement efforts of the U.S. Attorneys Offices was transferred to the program in 1983, additional steps were taken to uncover violations in this area. As a result, five new cases were filed in 1985 alleging Title II violations and two of these were resolved through consent decrees. This represents more public accommodations cases than the total number filed during the preceding five years.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities	33	33	$1,834	33	33	$1,934	33	33	$1,934	...	...	...

Long-Range Goal: To eliminate segregation in districts formerly operating dual school systems and reduce, in substantial measure, the need for court supervision of public elementary and secondary school desegregation in these districts; make substantial progress in eliminating unlawful segregation and discrimination in public schools in districts where there is no history of a statutorily required dual system; eliminate continuing denials of equal educational opportunities in public school systems; eliminate discrimination in and/or denial of educational opportunities to Native Americans; eliminate the vestiges of unlawful, racially dual systems of higher education; assist the Department of Education (ED) in enforcing assurance of compliance with civil rights laws, such as Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973, as amended.

Major Objectives:

To initiate, or participate in, litigation designed to bring about the orderly desegregation of schools pursuant to Title IV of the 1964 Civil Rights Act and the Equal Educational Opportunities Act of 1974.
To seek supplemental relief designed to eliminate the vestiges of racially dual school systems and to achieve compliance with constitutional requirements. Such relief in southern school districts will lead to the elimination of the need for judicial supervision of many of these school districts.
To participate in litigation, involving educational institutions, designed to eliminate denial of equal protection of the laws on account of sex.
To file lawsuits, upon referral from ED, to enforce nondiscrimination assurances made by educational institutions receiving federal funds.
To defend ED against court challenges to its authority to enforce civil rights assurances by federal recipients through the administrative process.
To initiate litigation to secure equal educational opportunities for students in public school systems and educational institutions receiving federal financial assistance without regard to race, color, national origin or sex.

Base Program Description: The Educational Opportunities Program was created in November 1983 after a reorganization of the former General Litigation Program into two components to enable more efficient achievement of its goals. The Educational Opportunities Program is responsible for all of the activities of the Division under statutes relating to nondiscrimination by public school officials and the provision of equal educational opportunity.

The major objectives of the program are accomplished with assistance from local U.S. Attorney's offices and the Federal Bureau of Investigation. The work of the program regarding school desegregtion requires coordination with the Office for Civil Rights (OCR), ED. In defensive cases, coordination includes securing litigation reports from the client agency, joint planning of litigation strategy, mutual review of pleadings and other papers, and supervision of agency personnel with respect to the preparation of such cases for trial.

The program devotes a significant amount of resources to a project of reviewing longstanding school cases to determine those school districts which have fully complied with court orders issued against them and therefore should be released from further court supervision. Finally, the program implements a compliance monitoring sub-unit which is responsible for monitoring defendants' compliance with outstanding court orders. Coordination with the Civil Division is necessary from time to time

to ensure uniformity in defensive cases handled by both divisions. When education matters might be referred to the program, advance planning with OCR is undertaken to ensure that cases referred are worthy of litigation. One element of coordination that is now missing is a long-range planning process whereby OCR could estimate the number and kinds of referrals they would expect to make two or three years in the future. Direct and ongoing coordination with OCR is also necessary to ensure non-duplication of investigative efforts since complaints are frequently filed with the decision unit and OCR simultaneously.

Program resources will be expended primarily to litigate existing cases and to move for supplemental relief in cases previously decided, when necessary. Other activities will be limited because higher education cases place such heavy demands on resources. However, the program will institute six cases designed to eliminate denials of equal educational opportunities. As resources permit, field surveys and investigations will be conducted in the expectation of generating new suits and/or enforcement motions in existing cases and the project of closing old school cases will continue.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Cases/Matters Received	263	306	300	300
Investigations Conducted	249	292	300	300
Matters Closed	239	256	275	275
Cases Filed	4	2	4	6
Cases Closed	13	0	50	50
Judgments/Decrees Obtained	27	36	30	30

Program staff represent the United States in school desegregation suits throughout the nation. The majority of the suits, involving approximatley 450 school districts, to which the United States is a party involve elementary and secondary schools in southern states. In these cases, the program continues the job of seeking full compliance with the laws requiring desegregation and determining those districts which have fully complied with their outstanding court orders and therefore should be dismissed. Cases involving illegally segregated public insitutions of higher education are consuming an increasingly large share of resources. This demand on the resources will continue and increase as new and innovative methods are sought to remedy this problem. Other major areas of school litigation are the elimination of racial discrimination in public elementary and secondary schools, discrimination on account of sex in programs administered by educational institutions, discrimination on the basis of handicap in programs administered by educational institutions, and assuring equal educational opportunity for students who cannot speak English or who have limited English speaking proficiency. The program also defends ED in certain situations.

In 1985, program resources were expended primarily on existing cases against four states to eliminate vestiges of the previously maintained dual systems in the state higher education system, and several hundred existing cases involving desegregation of elementary and secondary school systems. An extraordinary amount of the program's resources went toward the preparation and trial of a very complex case involving the public institutions of higher education in Alabama. The trial, which

lasted over a month, concluded in August and the program is awaiting a decision from the district court. During the trial, consent decrees involving some of the individual institutions were entered by the court resolving some of the issues in the case. Substantial resources have also been expended in discovery and negotiating activities in another complex case involving the desegregation of the elementary and secondary schools in Charleston, South Carolina.

Several of the program's investigations have resulted in the filing of new cases seeking desegregation of schools, elimination of discriminatory educational policies and provision of equal educational opportunities. These included an intervention in an existing desegregation suit involving Bolivar County, Mississippi; a new action against Richland Parish, Louisiana; and, a new suit against the Phoenix, Arizona high school district in which a consent decree setting forth a new voluntary plan of desegregation was entered simultaneously with the complaint.

Extensive resources were also expended monitoring the Division's existing court orders to assure full compliance with and enforcement of those decrees. These activities resulted in the entry of several supplemental orders in program cases including those involving school districts in Lufkin, Texas (discrimination against a coach); Americus City and Sumter County, Georgia (inter-district transfers); Lowndes County, Alabama (school closings); Lubbock, Texas (construction of a new school); and, St. Lucie County, Florida (construction and zone lines for a new middle school). These activities also included review of several districts to determine whether or not the districts had fully and faithfully implemented their orders permitting the court to determine the district unitary. This resulted in several cases in which school districts were declared unitary and the cases dismissed including: Houston, Texas; Omaha, Nebraska; Talladega County, Alabama; Conecuh County, Alabama; Marshall, Texas; and, Amite County, Mississippi.

The program continued to handle a number of defensive suits representing the ED. These activities resulted in the dismissal of three of these suits involving actions brought by Perry County, Mississippi, Peoria, Illinois, and the State of Maryland. In addition, a longstanding suit initiated by the Cincinnati school system has been fully briefed and awaits decision by the district court.

Increased emphasis has been placed on the use of word processing machines and computer analyses in the development and litigation of cases. Both have become valuable tools to staff members. In addition, computer generated information has been used to assist management (e.g., monitoring items of particular significance, assigning cases, evaluating attorney performance). Moreover, the program has successfully used computers to assist in preparing several complex cases for trial. Finally, the program's newly established compliance monitoring project is fully automated.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration.....	54	66	$3,341	54	66	$3,584	54	66	$3,584	...	...	...

Long-Range Goal: To reduce incidence of illegal discrimination in the nation through provision of guidance and definition of the Civil Rights Division's mission and priorities and provide to the public such access to Division records as is permissible under controlling law; provide to the enforcement and regulatory activities of the Division all the necessary executive direction, administrative support, training, and operational support required to enable the programs to substantially reduce discrimination in all subject areas enforced; and, improve and maintain more cost-effective systems support and equipment to allow increased efficiency and work per employee.

Major Objectives:

To coordinate the Division's enforcement activities appropriately with related activities of other components of the Department and other enforcement agencies.

To participate effectively in Departmental, Executive Branch and government-wide efforts to clarify or strengthen jurisdiction and authority and to establish or improve policies and procedures which govern litigation, administrative enforcement and program operation.

To evaluate policies, procedures and systems; anticipate the workload, as well as resource and time expenditures of the programs; and, to develop and implement plans for changes which would render them more efficient, effective and responsive to constituent concerns.

To establish and maintain relationships with public interest groups, members of Congress and other constituent representatives which permit constituent concerns to be communicated to the Division and Division activities to be explained to constituents' representatives.

To answer Freedom of Information Act (FOIA) requests within 10 days and Privacy Act (PA) requests within 20 days; minimize the number of appeals from denials of records requests by adhering to a standard of maximum disclosure permissible under controlling law; and, assist the Civil Division and U.S. Attorneys defending the Department in litigation arising from the denials of FOIA requests and out of cases and matters of historic interest on which the Department file is closed.

To provide cost-effective and responsive management and automation systems capabilities to address management, administrative and litigative requirements.

To review, analyze and respond (on behalf of the Assistant Attorney General) to letters, memoranda and other communications directed to the Division by the White House, Congress, other federal departments, private corporations and citizens; and issue Criminal Non-prosecution Notices to government and private sector organizations and to citizens as appropriate.

To provide all of the general administrative support necessary to enable Division personnel to enforce federal civil rights laws, including the following administrative activities: budget formulation and execution; personnel services and training; outside contracts and procurement; mail distribution; space management; supply, equipment and reproduction services; and, other support services not specifically defined in other programs.

Base Program Description: The first four objectives reflect the direct responsibilities of the Assistant Attorney General for Civil Rights, the Division's three Deputy Assistant Attorneys General, the Executive Officer and their immediate staffs. As a rule, supervisory responsibility over matters involving investigative and litigative strategy, relations with the FBI, and preclearance of changes in localities' voting practices and procedures is divided among two of the Deputy Assistant Attorneys General for action or oversight; matters involving long-range program planning and evaluation or relations with U.S. Attorneys, other components of the Department, other agencies, the Congress and some public interest groups are

871

with U.S. Attorneys, other components of the Department, other agencies, the Congress and some public interest groups are generally assigned to the third Deputy Assistant Attorney General; and, matters involving finance, personnel, and support services are assigned to the Executive Officer who is the manager of the Administrative Management Unit of the Program.

The Assistant Attorney General also represents the Attorney General on interagency councils concerned with civil rights issues. In that connection, he serves as chair of the Interagency Coordinating Council established by Section 507 of the Rehabilitation Act of 1973, as amended, and as a member of the Architectural and Transportation Barriers Compliance Board established by Section 502 of that Act. The Assistant Attorney General personally approves case filings, interventions and amicus participations, major investigative undertakings, major enforcement motions, novel legal positions, major consent decrees, and closings of investigations of death cases. Personnel matters are considered jointly with the Deputies or are assigned on an ad hoc basis.

The fifth objective is assigned to the FOIA/PA Unit, which reports to a Deputy Assistant Attorney General on legal matters and to the Executive Officer on operational matters. The Executive Direction and Control Unit of the program is organized to handle responsibilities which cut across the responsibilities of all of the other programs of the Division. Through this structure, the Division is able to use consistent standards and procedures in responding to FOIA/PA requests, to ensure that the most sensitive, complex or massive cases are handled by the most senior trial attorneys, and to weigh and balance personnel, resource and support needs of the Division's programs. Coordination and interaction with other components of the Department, other agencies, the Congress and public interest groups are handled either by Division officials directly or are delegated to personnel in other programs and reported to Division officials to ensure consistency and effective coordination on program and operational issues.

The remaining objectives are handled by the Administrative Management Unit of this program. The administrative and training functions are conducted through a centralized operation rather than by having individual programs furnish their own services. This avoids position duplication, permits flexibility for the use of resources, and provides greater management control.

At this level of funding, the staff that provides planning, evaluation, direction and control initiatives; coordination of other offices; participation in policy groups; maintaining liaison with constituent representatives; and, administrative and operational support will perform at an effective level. The FOIA/PA Unit will be able to handle approximately 40 percent of the FOIA/PA requests pending and received.

The Division remains committed to the most effective use of its Automated Data Processing (ADP) systems as a means of developing and implementing systems which will enhance the productivity of the entire staff. Management and other key personnel have completed specially designed computer courses and have become familiarized with the innovative litigation systems capable of being developed within each program. In keeping with the trend toward decentralized information systems, programs are now able to meet their own particular needs with the introduction of the personal computer. The requests for additional ADP funds which were denied in the Division's 1985 and 1986 budgets delayed the progress of the Division's plans for automation. Complaints from attorneys required the reprogramming of funds originally slated for other projects to enable the Division to expand decentralization and thereby increase its litigation support systems. Division attorneys must have litigative systems at their disposal which will enable them to deal with opponents who have access to the latest state-of-the-art technology for litigative purposes.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Legislative Comment and Testimony	52	60	60	60
FOIA Requests				
Pending from Previous Year	207	163	207	217
Received	155	187	172	172
Processed	199	143	162	168
PA Requests				
Pending from Previous Year	223	244	379	423
Received	315	423	324	354
Processed	294	288	280	287
Correspondence Received, Classified and Delivered	100,000	100,000	100,000	100,000
Citizen Complaint Responses Prepared	7,411	6,600	7,500	7,500
Administrative Support Correspondence Documents Prepared	21,000	6,000	16,000	16,000
White House/Congressional Replies Controlled	870	629	750	750
Criminal Non-prosecution Notices Processed	6,336	6,719	7,500	7,500
New Files Created	917	948	1,000	1,000
File Storage Requests Filled	138	163	175	175
File Retrieval Request Filled	490	525	575	575
Management Information Systems	40	42	47	52
Management Information Reports	625	700	750	800
Litigation Support Projects	34	46	52	62
Litigation Support Reports	500	675	800	900

There is no meaningful way by which the workload of program and operational planning, direction, control and evaluation activities can be measured. These management activities are by nature non-quantifiable and are best measured by the performance of the other programs which are managed by this one. However, the Division has implemented a management information system which assists Division managers in measuring, in a more efficient statistical fashion, the inputs, outputs and performance of the other programs.

The Special Counsel for Litigation staff includes three attorneys and three support positions. The staff handles a small number of complex, novel or sensitive cases. In Sanchez and the United States v. Anaya, a three-judge court in New Mexico held that 16 House legislative districts violated Section 2 of the Voting Rights Act. The court drafted its own legislative redistricting plan which eliminates the racial gerrymandering found to exist in New Mexico. It also required New Mexico to base any new redistricting legislation on census data and not on population and racial estimates as had been done in the past. In addition, the court ordered that any new plan be precleared by the court or the Attorney General prior to implementation and authorized the appointment of federal examiners in certain New Mexico counties. In the Chica[illegible] School Board case,

the Division successfully appealed a District Court order requiring the United States to pay the portion of desegregation plan implementation costs that the Board could not afford. The lower court order had set this figure at $103.8 million per year for each of the next five years. The Board has sought review by the Supreme Court. Further litigation of the financial issues in the district court has been transferred to the Civil Division. The Civil Rights Division continues to monitor the Board's implementation of its desegregation plan. Official notification has been sent to the Office of Management and Budget to reprogram the Special Counsel for Litigation staff beginning with 1986 to the litigative programs with the programmatic responsibilities pertaining to their areas of expertise.

The program has several direct mission responsibilities in the law enforcement area which are in addition to the usual support activities. These include the direct handling of thousands of citizen complaints and requests for information concerning their rights, and also in the handling of Criminal Non-prosecution Notices. Correspondence received has included complaints/ requests involving the Civil Rights Act of 1984, the Civil Rights Restoration Act of 1985, prayer in school and the Church of Scientology (a case involving religious beliefs).

The major goal for 1985 for the Administrative Management Unit of the program has been the improvement of modern technology to increase productivity within the Division. This has been accomplished through the introduction of some 75 IBM Personal Computers (PC's) as well as other automation efforts.

Consistent with the President's program to improve productivity within the government, the Division has introduced PC's to approximately 15 percent of its staff. The PC's will be used to support both attorneys and clerical staff. Attorneys use this equipment for litigation support activities such as LEXIS and JURIS as well as an analytic tool for preparing trial briefs. The equipment in support of the clerical staff will be used to replace the current Lexitron word processing equipment that is rapidly wearing out and becoming obsolete.

In addition, the Division has undertaken a major effort to replace its filing equipment. The current filing equipment used to house official trial files is over 20 years old and is plagued by breakdowns. In 1985, one of the machine's engines caught fire. To eliminate this safety hazard and improve service to Division personnel, all of the existing filing equipment has been replaced with a new KARDEX file retrival system. The file unit improvement project was completed on September 30, 1985.

The Division has also undertaken a program to improve mail delivery. In the past it was not unusual for court documents to be received by a trial attorney after the filing date had closed. This resulted in instances where the government's position was seriously undermined. Therefore, the Division established a program where all mail is processed and delivered to the attorneys within 24 hours from the time of receipt. This objective was accomplished within existing staff resources and at no additional cost to the government.

Finally, the Division has taken the lead within the Department's litigating divisions to conduct a joint A-76 review of the mail and file operations. The committee is being chaired by the Civil Rights Division and includes the Criminal, Land and Natural Resources, Tax, Antitrust, and Criminal Divisions. Productivity reviews of the mail and files functions are currently underway. This effort will enable all participating organizations to provide this service more efficiently and economically.

Civil Rights Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program	
Program	Ranking
Civil Rights Prosecution	1
Voting	2
Housing and Civil Enforcement	3
Coordination and Review	4
Management and Administration	5
Federal Appellate Activity	6
Employment Litigation	7
Educational Opportunities	8
Special Litigation	9

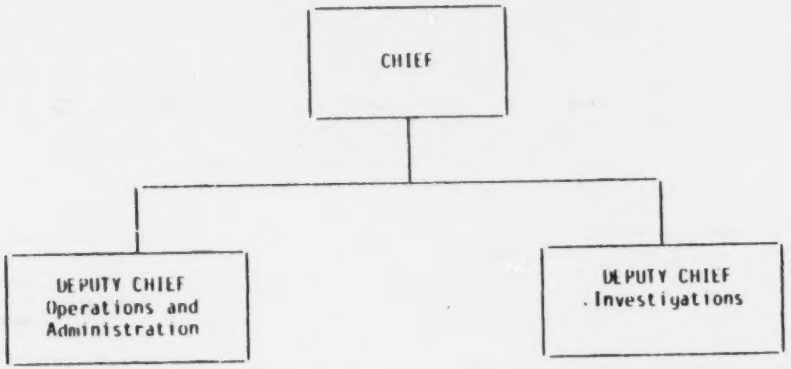
Civil Rights Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Increases	1987 Total
Attorneys (905)	180	180	...	180
Paralegal Specialists (950)	57	57	...	57
Other Legal and Kindred (900-998)	11	11	...	11
Social Sciences, Economics and Kindred (100-199)	16	16	...	16
Personnel Management (200-299)	1	1	...	1
General Admin., Clerical and Office Services (300-399)	132	132	...	132
Accounting and Budget (500-599)	4	4	...	4
Information and Arts Group (1000-1099)	1	1	...	1
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Supply Group (2000-2099)	1	1	...	1
Total	404	404	...	404
Washington	404	404	...	404

INTERPOL - U.S. NATIONAL CENTRAL BUREAU



Edward C. Schmults
Deputy Attorney General

10/14/83
Date

INTERPOL-U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	WY	Amount
1986 as enacted	44	44	$2,914
Uncontrollable increases:			
Within-grade increases	--	--	17
GSA Rent	--	--	144
Telephone system line charges	--	--	16
Departmental printing and reproduction costs	--	--	1
GPO Printing Costs	--	--	1
General pricing level adjustment	--	--	41
Annualization of 1986 relocation amendment	--	--	7
Total uncontrollable increases	--	--	227
1987 base	44	44	$3,141

Estimates By Budget Activity	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
INTERPOL-USNCB	30	30	$2,441	30	32	$2,376	44	44	$2,914	44	44	$3,141	44	44	$3,141	--	--	--

878

INTERPOL-U. S. National Central Bureau (USNCB)

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: INTERPOL-U. S. National Central Bureau	44	44	$2,914	44	44	$3,141	44	44	$3,141	--	--	--

Long Range Goal. To stem the growth of international crime by providing efficient communications and exchange of information among the National Central Bureaus of INTERPOL member countries and the INTERPOL General Secretariat (headquarters), as well as the law enforcement agencies within the United States.

Major Objectives

1. To effectively represent the United States as the U. S. member of INTERPOL.

2. To provide timely responses to requests for information from domestic and international law enforcement agencies and other appropriate organizations, institutions, and individuals, in accordance with the INTERPOL Constitution and Department of Justice regulations.

3. To identify and analyze patterns and trends in international criminal activities.

4. To actively support INTERPOL initiatives to combat international terrorism, such as establishing guidelines to encourage and enhance police cooperation and the creation of a specialized anti-terrorism group at the General Secretariat.

5. To coordinate with other Federal law enforcement agencies programs addressing particular areas of international crime, e.g., drug trafficking, terrorism, financial crime and fraud, international fugitives and border protection operations to maximize resources and prevent program duplication.

6. To ensure the effectiveness of INTERPOL through improvements in its information technology systems capabilities; incorporation of all INTERPOL member countries into its telecommunications network; implementation of an international satellite telecommunications network; and establishment of a message transmission system which, while adhering to INTERPOL's strict criteria for protection of data, facilitates communication between domestic police and the Canadian law enforcement community.

7. To solidify as an institution the INTERPOL-USNCB and to increase awareness of its functions in combatting international crime to make it a truly effective law enforcement tool, responsive to the needs of the domestic and international law enforcement communities.

Base Program Description. The INTERPOL-USNCB is the United States' representative to the International Criminal Police Organization (INTERPOL). Created in 1923 to promote mutual assistance among the European community, the organization has grown from less than ten members to a worldwide consortium of 138 countries.

A General Secretariat currently headquartered in St. Cloud, France, serves as INTERPOL's administrator, and each member country maintains a National Central Bureau (NCB) to act as its INTERPOL liaison within the guidelines of its own national laws and the INTERPOL Constitution.

A General Assembly comprised of delegates from each member country is INTERPOL's governing authority, and convenes annually to formulate policies and initiatives to address the escalating problem of international crime. Each participating member country has one vote regardless of size or financial contribution to the organization. A president and three vice presidents are elected, and a 15-member Executive Committee monitors the implementation of General Assembly decisions and oversees the activities of the General Secretariat.

The INTERPOL-USNCB is responsible for maintaining telecommunications channels with more than 20,000 domestic law enforcement agencies, the NCBs of the other 137 INTERPOL member countries, and the INTERPOL General Secretariat. Communications are maintained with domestic law enforcement agencies through the National Law Enforcement Telecommunications Systems (NLETS), and to INTERPOL member countries through a direct link to the INTERPOL radio network centralized in INTERPOL headquarters. An international telex/cable facility for contacting INTERPOL member countries not connected to the centralized radio network is also maintained by the INTERPOL-USNCB, as well as photofacsimile equipment for international transmission of photographs, fingerprint records, and documents. These capabilities are essential for responding to emergency criminal situations, court proceedings, border protection operations, or prevention of release or flight of international fugitives.

As a law enforcement clearinghouse, the INTERPOL-USNCB receives requests for information covering a broad range of criminal offenses including crimes of murder, robbery, large-scale narcotics violations, financial fraud, off-shore banking, and counterfeit investigations, as well as the location and apprehension of international fugitives, often involving extradition. Requests for information are also made for criminal history backgrounds, license checks and humanitarian efforts. Foreign and domestic police organizations also use INTERPOL-USNCB resources to trace weapons or locate witnesses. Such activities are representative of the range of investigations with which this organization is involved.

880

Investigative functions are maintained at INTERPOL-USNCB through the collaborative efforts of 13 participating Federal law enforcement agencies that assign agents to the INTERPOL-USNCB. Department of Justice representatives participate from the Federal Bureau of Investigation, the Drug Enforcement Administration, Immigration and Naturalization Service, the Criminal Division, and the U. S. Marshals Service. Treasury Department representatives include the U.S. Secret Service, the U.S. Customs Service, the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, the Office of the Comptroller of the Currency, and the Federal Law Enforcement Training Center in Glynco, Georgia. Other Federal agencies represented are the Department of Agriculture's Office of the Inspector General and the U.S. Postal Inspection Service. This multi-agency participation in the INTERPOL-USNCB program fosters interagency cooperation in addressing law enforcement matters and avoids duplication of programs and initiatives.

Strict criteria and guidelines established by the INTERPOL General Secretariat and the INTERPOL-USNCB are used to qualify requests for information or investigative assistance. Compliance with INTERPOL-USNCB and INTERPOL regulations, as well as Department of Justice regulations and U.S. Federal laws is verified by a Quality Control Unit, and the following criteria are applied: (1) the request must come from a legitimate domestic law enforcement agency or an INTERPOL member country; (2) it must be an international investigation; (3) the crime must be a violation of law in the country where committed; (4) the request cannot violate the accepted interpretation of Article 3 of the INTERPOL Constitution, which excludes matters military, religious, racial or political; (5) a specific criminal link must exist between the crime and the subject of the case; (6) the request must clearly state the type of investigation and the fullest possible identifying details of the subject. If not provided, the requestor is contacted for additional information. Written verification of all requests is required before any information is released.

As a final control to preclude unauthorized use of information, the Third Agency Rule is applied and extends to all Federal, State and local law enforcement agencies. This means that information exchanged between the INTERPOL-USNCB and another Federal, state or local law enforcement agency cannot be provided to a third party without the approval of the source of such data. These stringent controls work to ensure responsible management of this organization's investigative workload and preserve the integrity of its information.

881

Accomplishments and Workload

The INTERPOL-USNCB investigative caseload increased by 30 percent over the previous year, with more than 1,000 requests per month since January 1985. Largely due to increased awareness at the state and local levels of the investigative channels the INTERPOL-USNCB can open, domestic use has risen steadily, and significant accomplishments were realized to the benefit of law enforcement here and abroad.

An example of the kind of assistance afforded domestic law enforcement agencies is found in a recent case originating in Illinois, where state police used the USNCB to apprehend a murder suspect in Italy. The suspect was charged in a Federal arrest warrant with kidnapping, holding his victim for $15,000 ransom, and

then murdering the victim and her husband. Additional warrants were issued against the suspect for rape and kidnapping. As a result of information passed to Italian police through the USNCB, the suspect was arrested and extradited. A similar request involved identification of a man arrested in New York for possession of stolen credentials and credit cards. Through the USNCB, an International Wanted Notice was issued: INTERPOL-Ottawa located the man and an arrest was made by the Montreal police. Arrested under an alias, he was returned to also face rape charges in Boston as well as a prison term from which he had escaped in California.

Significant accomplishments have also been realized as a result of the creation of the Economic and Financial Fraud Unit at the INTERPOL-USNCB. Through this unit investigative resources are channelled into tracking and seizing assets of criminal organizations. It is recognized that most narcotics and organized crime leaders insulate themselves from traditional criminal investigative techniques, but stay close to their financial network and the money. This special unit concentrates efforts in tha area, which is often the only means of identifying those leaders. Such a case was that of a Cleveland businessman who was indicted for defrauding the government and evading $3 million in income tax. A producer and distributor of pornography, the suspect used fictitious names, sham financial transactions. and phony corporations to launder money and establish Swiss bank accounts through which more than $7 million was funnelled. As a result of a six-year grand jury investigation conducted by the Cleveland Organized Crime Strike Force assisted by Departments of Justice and Treasury, he was indicted on 16 counts and faces up to 75 years imprisonment and $10 million in fines. The INTERPOL-USNCB facilitated coordination on this case with the governments of Switzerland and Great Britain, New Scotland Yard, Swiss Federal Police, Royal Canadian Mounted Police, and the police departments of four major U. S. cities. The Economic and Financial Unit was also recently part of an INTERPOL working party that drafted model legislation for investigation and forfeiture of assets in shell banks and off-shore banking. As a result of their efforts, three Caribbean countries are using the INTERPOL product as a model for their own legislation.

A serious problem INTERPOL-USNCB has been successful in addressing through its Alien/Fugitive Enforcement Unit is that of illegal aliens and foreign fugitives. Political unrest in the Middle East and Atrica and in countries such as Afghanistan and Pakistan has resulted in more and more attempts to illegally enter this country. Individuals stow away on vessels or commercial aircraft bound for the U. S., destroy their identity documents and passports enroute, and ask for asylum on arrival. The Immigration and Naturalization Service faces great difficulty in ascertaining the nationality of subjects in these cases and cannot deport without a country of origin. On request, INTERPOL-USNCB distributes fingerprints of such individuals throughout the INTERPOL network, resolving such identity problems.

An important function of the Alien/Fugitive Enforcement Unit is the identification and investigation of international fugitives. By entering fugitive lookout records into several automated systems available at U. S. border entry points, INTERPOL-USNCB is able to identify foreign fugitives as they attempt to enter this country. Conversely, the INTERPOL international notice system may facilitate the location and arrest of fugitives from the United States. In one instance, as a result of an International Wanted Notice issued by INTERPOL-Wiesbaden, a German national who had escaped while serving a prison term for attempted arson and insurance fraud was identified and arrested at the Miami, Florida, airport in possession of a suitcase of

cocaine. The subject was turned over to the U. S. Marshals Service for extradition. Similarly, two Canadian nationals, wanted on twenty-five warrants involving several millions of dollars in bad checks, fraud, and forgery, were returned to Canada following a three month search covering Canada, the Caribbean, New York, and Texas. These efforts not only deny foreign criminals safe haven in the United States, but protect our population from their crimes.

Another accomplishment of which the INTERPOL-USNCB is particularly proud is the hosting of the 54th General Assembly of INTERPOL this past October. For the first time in twenty-five years, delegates from 117 member countries convened in Washington, D.C., and for the first time ever with an American, Director John Simpson of the U. S. Secret Service, as its president. The meeting was an unqualified success. Important resolutions concerning terrorism, narcotics, and money-laundering were passed and initiatives addressing such topics as migration of offenders and regionalization were adopted. Two additional countries were added to the INTERPOL network, bringing its membership to 138. President Reagan addressed the assembly, pledging his complete support, and the American business community embraced it as an opportunity to demonstrate to the world its high regard for INTERPOL and its commitment to international law enforcement by sponsoring nearly a half-million dollars' worth of gifts, services, and in-kind contributions. The assembly has fostered a renewed spirit of cooperation both here and abroad, and its benefits are still being tallied.

One major advancement brought about by both the 53rd and 54th General Assemblies is the definition of terrorism outside the realm of political activity alone. Terrorism was a problem heretofore excluded from INTERPOL's attention due to the provision of Article III of the INTERPOL constitution, which forbids involvement or intervention in matters ". . . of a political, military, religious, or racial character." The 53rd General Assembly reasoned that even though an act of violence may be politically motivated, if the target, person or property was not directly or indirectly connected with the objectives of the offenders, the act could not be interpreted as political and must be regarded as a criminal act. This was a first and major step in addressing what has come to be a critical world concern. Subsequent resolutions have further defined the police role in combatting international terrorism, have encouraged cooperation among NCB's in responding to this problem, and initiated preparation of guidelines and practices to facilitate the rapid exchange of information vital in such situations. Further, a special unit has been established within the General Secretariat to study this issue and to coordinate the exchange of anti-terrorist information. In addition, progress of the anti-terrorism program will be discussed at Executive Committee and regional meetings, and the organization will host a fourth symposium on international terrorism during 1986.

The accomplishments of the USNCB go on: in its Drug Program, analyzing data available at the INTERPOL-USNCB for dissemination to other interested agencies; through its Stolen Arts Program, where significant recoveries have been made of major art works; in its efforts to provide the most comprehensive investigative assistance available through internal advancements such as the INTERPOL Case Tracking System, devised to automatically query many data sources, and its bar-coding system designed to eliminate costly manhours in tracking and filing cases; to the public awareness it stimulates in the resources it offers law enforcement through its agents and analysts. All of this work to make the accomplishments of the INTERPOL-USNCB many and the challenges before it still more.

883

Summary of Workload and Performance

	1984	1985	1986	1987†
Pending cases, beginning of year: Analysis Unit	5,831	6,876	8,939	11,620
Pending cases, beginning of year: Investigative Unit	16,207	19,570	25,441	33,073
Total pending and percentage of increase	22,038	26,446	34,380	44,693
		20%	30%	30%
New cases, beginning of year: Analysis Unit	3,667	4,474	5,874	7,930
New Cases, beginning of year: Investigative Unit	7,794	9,508	12,482	16,850
Total new cases and percentage of increase	11,461	13,982	18,356	24,780
		22%	35%	35%
*Total active cases and percentage of increase	33,811	42,368	55,355	72,515
		25%	31%	31%

†Estimates *Includes new, pending, and reopened cases.

The workload of the INTERPOL-USNCB has increased steadily over the past three years to a point where approximately 1,000 new requests for assistance are being received each month. Stabilization of staffing at the INTERPOL-USNCB occurred in 1985 and 1986, wherein previously detailed and temporary employees were made permanent, but staff size has not increased at the INTERPOL-USNCB since 1982. Substantial amounts of overtime are required to remain abreast of urgent and high-priority law enforcement queries.

As has been noted in the past, the increase in INTERPOL-USNCB's investigative workload is largely due to a heightened awareness among the domestic law enforcement community of the services it provides. State and local law enforcement agencies have become the greatest users of the INTERPOL-USNCB telecommunications network, and INTERPOL-USNCB investigative agents are frequently called upon to make appearances across the nation explaining the INTERPOL program and services available through the USNCB.

In addition to Federal agencies who participate in the INTERPOL-USNCB program providing information to their respective field offices, greater awareness of the operational assistance available through the INTERPOL-USNCB has also resulted from increased visibility in the press. These factors have all contributed to a burgeoning caseload that has resulted in deteriorated response time to individual requests.

A new dimension has been added to the impact INTERPOL can have on international lawlessness by its adoption of resolutions addressing terrorism. This has made it incumbent upon the INTERPOL-USNCB to respond. Never has a single category of crime so threatened world safety as does the terrorist act, and all our resources must be garnered against it. By limiting those resources, efforts to analyze and thwart terrorism are severely hampered, making the lessons learned sporatic at best. In summary, every effort is being made to maximize INTERPOL-USNCB resources to meet an ever-increasing workload and expanded sphere of responsibility.

884

INTERPOL - U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Total
General administration, clerical and office services (300-399).....	28	42	42
Information and Arts Group (1000-1099).....	2	2	2
Total.....	30	44	44
Washington.....	30	44	44
Total.....	30	44	44

Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	...	...	...
1987 base	...	...	...

Activity: Legal Activities Office Automation

	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Total	...	...	...	...	...	...	...	...	$10,000	...	...	$10,000

886

Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Legal Activities Office Automation	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Total	...	...	...	...	...	...	...	...	$10,000	...	...	$10,000

Long-range Goal: To improve the productivity of administering the legal activities programs through modernization and enhancement of office automation systems by the Department's litigating components.

Major Objectives:

To enable, through technological advances, the Department's litigating components to enhance productivity and product quality to meet ever increasing caseloads.

To identify a system design which meets the central (core) requirements of the litigating organizations and the needs of departmental management officials for information about the work of the litigating organizations and which allows reliable connection of litigating organizations to Department-wide data collection and reporting systems, including those for financial, human resource, and case management.

To identify cost-effective ways for electronic exchange of documents and messages among litigating organizations and with other departmental elements.

To systematize the planning and acquisition processes for office automation resources to:

- build on the installed base of office automation and case management systems in the litigating organizations;
- build cooperative processing systems where possible;
- ensure installation of compatible hardware and off-the-shelf software in all future acquisitions; and
- conserve public funds through cost-effective planning for system installation and training and through economies of scale.

Program Change: The Department Resources Board has established the Litigating Office Automation Steering Committee under the direction of the Deputy Attorney General. The Steering Committee, composed of the Department's senior management, is tasked with developing a comprehensive policy and a strategy for the design and acquisition of an automated system for the six legal divisions, the offices of the U.S. Attorneys and in support of senior departmental management. The mandate to achieve Department management efficiencies and productivity gains in systems and operations requires the Department to move toward a more coordinated and unified approach in the area of office automation for litigating components. To accomplish this goal, the Committee has appointed the Deputy Assistant Attorney General, Office of Information Technology, as Project Manager with the responsibility for successful conduct and completion of the project. The Project Team consists of personnel from the litigating components and the Justice Management Division.

During 1986, a new strategic approach based on a joint planning initiative will build upon existing accomplishments and achieve the desired commonality at potential savings to the Department. In essence, this new approach will involve conducting a comprehensive and comparative analysis of existing requirements, reviewing the design of systems that have been substantially implemented, and then, on the basis of these analyses, designing an integrated office automation software and hardware capability for use in all the Department's litigating components. These activities are being accomplished through the cooperative efforts of the appropriate organizations.

An increase of $10,000,000 in budget authority is requested for 1987 for the Legal Activities Office Automation Project. This amount will allow the Department to fund enhancements to the litigating organizations as determined through the analyses conducted in 1986. A major investment in new technology by the litigating organizations is essential, because much of the current equipment is outdated, or soon will become obsolete. In addition to the problem of obsolescence because of technological advances, some organizations have equipment purchased in 1980-82 or earlier, and by 1987 this equipment will have reached the end of its useful life. Moreover, some organizations have equipment which was manufactured by companies which have withdrawn from the market and maintenance of this equipment is no longer cost effective.

Implementation of a joint office automation acquisition program will end the proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among the litigating components. Moreover, this initiative will markedly expand the availability and use of automated legal research and litigation support. No new bureaucracy will be established because the Department has the necessary staff components to provide technical expertise. Joint planning and acquisition strategies will be developed by the Steering Committee. Major planning and funding decisions will be made by the Department Resources Board.

One of the benefits of this proposal is that it will enable the litigating organizations to integrate their individual efforts, thereby eliminating each division "re-inventing the wheel" for common functional solutions. Most important, it enhances the ability for system interaction among the divisions in 1987 and, in 1988, it will provide the critical technological links to the U.S. Attorneys' offices with which each legal division must work. It will also assist in the development of a Department Case Management System by reducing the problems of interfacing multiple incompatible systems. By consolidating procurements, the Department may realize even greater economies of scale through larger purchase orders. Also, additional savings are anticipated through the development and maintenance of common core software and, as appropriate, integrated systems maintenance contracts.

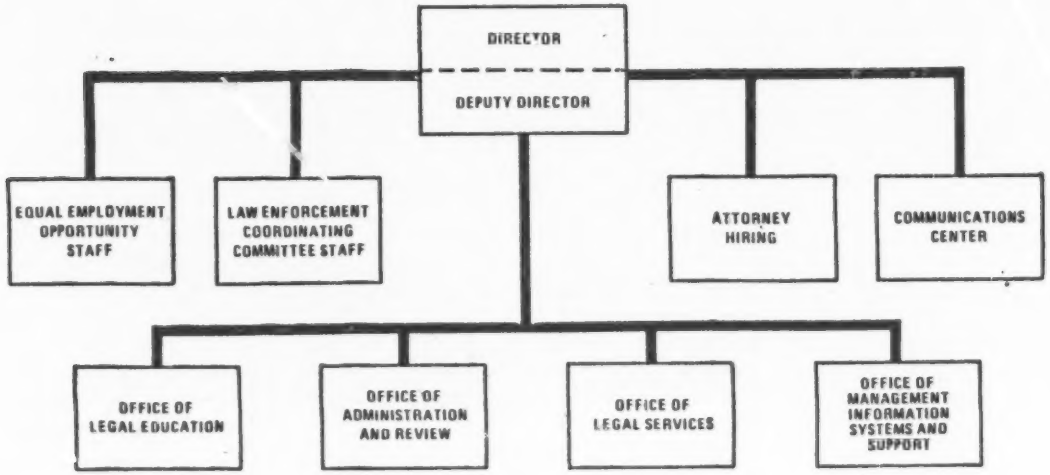
Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Financial Analysis - Program Change
(Dollars in thousands)

Item	Legal Activities Office Automation		Total	
	Pos.	Amount	Pos.	Amount
Communications, utilities and miscellaneous charges	...	$130	...	$130
Other services	...	4,600	...	4,600
Equipment	...	5,270	...	5,270
Total workyears and obligations, 1987	...	10,000	...	10,000

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS



Approved by: William French Smith Date: 8/17/84
Attorney General

United States Attorneys

Salaries and expenses, U.S. Attorneys and Trustees

Crosswalk of 1986 Changes
(Dollars in thousands)

Decision Units	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Enacted		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Criminal Litigation	3,326	3,239	$194,204	-190	-321	-$21,625	...	...	...	3,136	2,918	$172,579
2. Civil Litigation	2,005	1,960	107,520	...	-54	-1,607	...	...	...	2,005	1,906	105,913
3. Legal Education	25	24	2,715	...	...	-6	...	...	...	25	24	2,709
4. Organized Crime Drug Enforcement	367	350	21,108	152	114	3,840	...	...	...	519	464	24,948
5. Management and Administration	128	166	15,822	10	5	-169	...	...	...	138	171	15,653
Total	5,851	5,739	341,369	-28	-256	-19,567	...	...	...	5,823	5,483	321,802

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

Congressional action deleted 180 positions and the related funding requested to support new judgeships in the U.S. Attorneys' program, provided funding for less than a full-year for all new positions provided in the 1985 supplemental and reduced the request accordingly. Further, Congress added 152 positions and the related funding for new drug initiatives during 1986. The Conference Report (99-236--July 2, 1985) on 1985 Supplemental Appropriations provided that ten of the 59 support positions provided for the new Judgeship Act were for administrative functions. Additionally, $5.7 million in new requirements are to be funded through carry forward of 1985 appropriations.

United States Attorneys
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm Pos.	Work-Years	Amount
1986 as enacted	5,823	5,483	$321,802
Uncontrollable increases:			
Annualization of 532 positions approved in 1985 and 1986	...	228	15,436
Annualization of 1985 supplemental for D.C. Attorney Office relocation	...	...	2,065
Annualization of 1986 Amendment (relocation)	...	...	176
Administrative salary increases	...	...	5,485
Within-grade increases	...	...	477
Health benefits	...	...	103
Federal Employees Compensation Act (FECA)-Workers Compensation	...	...	99
GSA Rent	...	..	1,720
GSA recurring reimbursable services	...	...	58
Postal Service increase	...	...	155
Telephone system line charge	...	...	203
Department printing and reproduction costs	...	...	52
GPO printing costs	...	...	102
General pricing level adjustment	...	...	2,383
Adjustment to permit staffing of additional permanent positions	10	...	...
Total, uncontrollable increases	10	228	28,514
Decreases:			
Reduced costs for Federal Telecommunications System	...	...	-412
Non-recurring costs for relocation	...	...	-275
Total decreases	...	...	-687
1987 Base	5,833	5,711	349,629

Estimates by Budget Activity	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Attorneys	5,723	5,202	$306,329	5,723	5,124	$300,237	5,823	5,483	$321,802	5,833	5,711	$349,629	5,868	5,790	$353,818	35	79	$4,189

United States Attorneys

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate...	351	332	$19,633	351	341	$19,633	...	...	...	...	...	...	...	...	...	...	...	...
Criminal Litigation.	2,893	2,605	155,145	2,893	2,595	151,558	3,136	2,918	$172,579	3,136	3,054	$188,922	3,152	3,099	$191,367	16	45	$2,445
Civil Litigation....	1,797	1,712	90,797	1,797	1,712	90,448	2,005	1,906	105,913	2,005	1,955	111,879	2,024	1,989	113,623	19	34	1,744
Legal Education.....	25	24	2,595	25	21	2,539	25	24	2,709	25	24	2,744	25	24	2,744	...	...	...
Organized Crime Drug Enforcement..	519	363	22,694	519	316	20,594	519	464	24,948	519	502	29,960	519	502	29,960	...	...	...
Management & Admin..	138	166	15,465	138	139	15,465	138	171	15,653	148	176	16,124	148	176	16,124	...	...	...
Total.....	5,723	5,202	306,329	5,723	5,124	300,237	5,823	5,483	321,802	5,833	5,711	349,629	5,868	5,790	353,818	35	79	4,189
Reimbursable Workyears		...			...			...			...			...			...	
Total FTE Ceiling....		5,202			5,124			5,483			5,711			5,790			79	
Other Workyears																		
Holiday.....		1			1			1			1			1			...	
Overtime.....		32			32			32			32			32			...	
Total compensable workyears....		5,235			5,157			5,516			5,744			5,823			79	

United States Attorneys

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: United States Attorneys	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation.....	3,136	2,918	$172,579	3,136	3,054	$188,922	3,152	3,099	$191,367	16	45	$2,445
Civil Litigation.....	2,005	1,906	105,913	2,005	1,955	111,879	2,024	1,989	113,623	19	34	1,744
Legal Education.....	25	24	2,709	25	24	2,744	25	24	2,744	...	...	...
Organized Crime Drug Enforcement.....	519	464	24,948	519	502	29,960	519	502	29,960	...	...	...
Management and Administration.	138	171	15,653	148	176	16,124	148	176	16,124	...	...	...
Total.....	5,823	5,483	321,802	5,833	5,711	349,629	5,868	5,790	353,818	35	79	4,189

This activity includes resources for the representation of the United States in 94 federal judicial districts contained within the jurisdiction of the United States. Within each judicial district, the U.S. Attorney is responsible for the prosecution of criminal offenses against the United States and for the conduct of civil actions, lawsuits or proceedings in which the United States is involved.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation.....	3,136	2,918	$172,579	3,136	3,054	$188,922	3,152	3,099	$191,367	16	45	$2,445

Long Range Goal: To promote compliance with the laws of the United States by individuals within its jurisdiction.

Major Objective: This program is dedicated to the effective identification, investigation, prosecution and conviction of those persons and legal entities who have committed offenses against the laws of the United States.

59-584 O—86——29

Base Program Description: The federal law provides criminal penalties for a wide range of proscribed behavior. Many of these laws are designed to protect the integrity of government operations -- e.g., laws regarding counterfeiting, tax evasion, perjury and fraud against the U.S. Government, while others protect important social institutions and citizen safety -- e.g., laws regarding financial practices, interstate commerce and kidnapping. Obtaining convictions against the violators of federal criminal law is intended not only to punish individual offenders, but to deter prospective criminal behavior and to reinforce general respect for the efficacy of law.

Most alleged violators of federal criminal laws are reported to the U.S. Attorneys by one of the several federal investigative agencies. A few violators are reported to U.S. Attorneys by citizens, and others come to the attention of U.S. Attorneys in the course of prosecuting related criminal conduct. After considering such factors as the sufficiency of available evidence, the condition of the prospective defendant, the applicability of Department of Justice priorities, and the availability of alternatives to federal prosecution, a decision is reached on the appropriateness of federal prosecution. The U.S. Attorneys then become responsible for engaging in the established legal procedures for the purpose of obtaining a guilty judgment of alleged violators of federal crime laws, with the ultimate purpose of invoking against such violators the penalties provided by law.

Except for misdemeanor offenses and in instances in which the defendant waives his right to a grand jury indictment, the evidence against an alleged offender is presented to a grand jury, and the jurors make the final decision for prosecution by voting on an indictment proposed by the U.S. Attorney. Following the delivery of an indictment, the U.S. Attorney is responsible for presenting the charges at the arraignment of the defendant and for participating in preliminary hearings concerning such issues as defendant's bail status, the propriety of the indictment, the forfeiture of the defendant's property, the competency of the defendant, and the admissibility of evidence. In addition to the formal proceedings at which U.S. Attorneys represent the U.S. Government, they are constantly negotiating with defense counsel, witnesses, court officials, and investigators to keep the case progressing within the statutorily defined limits for speedy trial. Although barely ten percent of all criminal prosecutions are concluded by a trial, the U.S. Attorneys always must be prepared to go to trial to avoid the risk of dismissal for noncompliance with Speedy Trial Act time limits and to negotiate effectively with defense counsel for a guilty plea by the defendant. Whenever the defendant is unwilling to admit guilt and a trial becomes necessary, the U.S. Attorneys then are responsible for presenting the factual evidence which will convince the jury of the defendant's guilt and for advocating legal arguments.

Accomplishments and Workload: The criminal litigation workload of the U.S. Attorneys is presented below. Data on matters include workload performed by the Organized Crime Drug Enforcement Task Forces which is not reported elsewhere.

	1984	1985	Estimates 1986	1987
Matters received	91,333	90,740	90,900	91,100
Matters closed	87,024	85,266	85,800	86,300
Matters pending, EOY	49,321	54,795	59,895	64,695

	1984	1985	Estimates 1986	1987
Cases filed	30,239	29,689	29,800	30,000
Cases terminated	28,567	26,633	26,900	27,200
Cases pending, EOY	24,411	27,467	30,367	33,167
Grand Jury proceedings	17,487	17,094	17,190	17,290
Trials	3,020	3,026	3,050	3,100

The Criminal Litigation program objectives are accomplished through the work of 94 U.S. Attorneys' offices, each of which has responsibility for the investigation and prosecution of a wide range of proscribed criminal behavior. Actual and estimated accomplishments are reflected in the above workload data. Criminal filings for all U.S. Attorneys' offices in 1985 included 2,630 criminal appeals filed. The greatest volume of filings were for controlled substances (5,689), fraud against Government (1,835), weapons control (1,745), immigration (1,629), mail & wire fraud (1,239) and tax evasion (1,144) offenses. Of the total 26,633 cases closed, 24,792 defendants made pleas of guilty; 4,054 defendants were found guilty after trial; and 860 defendants were found not guilty (including 14 not guilty verdicts by reason of insanity). Grand jury proceedings included 17,051 indictments and 43 No True Bills, for a total of 17,094 actions.

A total of 54,157 complaints were closed without reaching the district courts. Of this number, 26,641 referrals involving 32,592 defendants were closed by immediate declination of prosecutions. Another 13,832 matters were declined after further investigations, and 8,233 were disposed of by Federal magistrates.

Program Changes: An increase of 16 positions, 45 full-time equivalent (FTE) workyears and $2,445,000 is requested for the Criminal Litigation program. Of this increase, $1,880,000 and 33 FTE workyears are requested to reduce the lapse between authorized positions and funded workyears; and 16 positions, 12 FTE workyears and $565,000 are requested for litigation in Narcotics and Dangerous Drugs.

At the level of resources initially appropriated in 1985, the U.S. Attorneys were authorized a total of 2,439 attorney positions and 2,852 non-attorney full-time-permanent positions for all programs, excluding supplemental resources provided in 1985. Funding was appropriated for 4,956 full-time-permanent workyears for all positions combined. This level of workyears assumes a recurring lapse rate of 6.3 percent for all categories of employees. Applying this rate to the authorized level of 2,439 attorneys in 1985 yields a total of 2,285 available workyears. The actual attorney workyears used in 1985 was 2,338. This discrepancy of 53 attorney workyears between budgeted and anticipated levels accounts for a structural deficiency of $3,060,000 in the annual operating plan, which is divided between the Criminal Litigation and Civil Litigation programs. Because it is often difficult and time-consuming to fill support staff vacancies, the deficiencies have been offset partially by under-utilization of the non-attorney workyears. The remaining portion of this structural deficit is offset by cancelling plans to spend funds built into the budget for the purpose of maintaining adequate facilities and equipment for a workforce that is dispersed among 94 offices.

For this portion of the request, no additional positions are requested. Instead, 33 attorney workyears costing $1,880,000 are requested for the Criminal Litigation program to close the unfunded lapse rate to four percent. This represents the level of resources presently expended above the funded lapse rate for attorneys which results in diversion of funds and workyears required for other purposes. These resources will greatly enhance office productivity and eliminate non-legal impediments to case processing.

To adequately address crime in the narcotics and dangerous drugs program, a request is being made for 4 attorney, 8 paralegal and 4 support positions and 12 workyears for a cost of $565,000. Between 1983 and 1986, the matters pending at the beginning of the year increased by 87.1% from a total of 2,808 to 5,253 and cases pending during the same period increased by 31.1% from 4,532 to 5,943. The Organized Crime Drug Enforcement (OCDE) program, as cited elsewhere, has done an excellent job of identifying, investigating, and prosecuting major drug traffickers. However, the guidelines for the OCDE Task Forces as well as their resources allow them to work only with the most significant cases. A substantial majority of the U.S. Attorneys surveyed report significant non-OCDE drug cases that must be prosecuted. These cases involve substantial amounts of narcotics as well as the possibility of recovery of substantial amounts of fines and assets. This is one of several areas where the devotion of additional resources can reasonably be expected to bring in substantial amounts of money to the Treasury. The National Assets Seizure and Forfeiture Program set up by the U.S. Marshals Service has given U.S. Attorneys a much better ability to handle and manage seized assets and to bring in substantial amounts of money to the Treasury. The narcotics and dangerous drugs cases pending at the beginning of each year have increased, as well as the number of matters pending at the beginning of the year partly because of the OCDE effort. The OCDE program is prosecuting the highest echelon of drug dealers. This results in the identification of substantial mid-level and lower level dealers who have a tremendous impact on local communities. Prosecution of these cases is absolutely necessary to follow up and add to the OCDE Task Force cases. This ensures that organizations as a whole are properly prosecuted and provides for the maintenance of a steady source of intelligence information that can lead to the identification of major suppliers and OCDE Task Force cases.

By tracing the transactions of money being generated by drug dealers, the U.S. Attorneys often uncover cases in seemingly unrelated areas. As an example, the recent prosecution in the District of Massachusetts of a bank involved in laundering tremendous sums of money resulted in a fine of $500,000. This type of case is indicative of the work and the possibilities of the narcotic and dangerous drug cases and the information that they produce.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Litigation.....	2,005	1,906	$105,913	2,005	1,955	$111,879	2,024	1,989	$113,623	19	34	$1,744

Long Range Goal: To protect and to advance the interests of the United States through the conduct of civil litigation.

Major Objectives:

To improve productivity and cost effectiveness through maximum use of paralegal resources to meet expanding litigation requirements.

To respond promptly and professionally to all suits brought against the United States, its officers and employees.

To professionally conduct affirmative litigation to recover for the United States all possible monetary losses and compensation for damages suffered by the United States.

To support federal programs, as necessary, by litigation and negotiation.

To collect monies owed to the United States and to increase the effective rate of recovery.

To articulate completely and forcefully the positions of the United States on issues presented by the Courts of Appeals.

Base Program Description: Although the civil litigation activities of the U.S. Attorneys are less visible and publicized than those of the criminal program, civil matters and cases consume a significant portion of the U.S. Attorney resources. A rough measure of this can be seen from the following figures taken from 1985 data. Excluding appeals, collections and management hours, the U.S. Attorneys expended 31 percent of all attorney workyear resources in support of civil litigation, 43 percent of the paralegal workyears, and 39 percent of the clerical workyears.

To an ever-increasing extent, controversies between the U.S. Government and private parties have become the subject of civil litigation. Except for collections cases, there are almost twice as many suits initiated by private parties against the U.S. Government as there are suits initiated by the U.S. Government itself. The litigation brought against the government covers a range of causes of action including torts (damage suffered as a result of government action--e.g., collision with a postal service vehicle, malpractice by a government physician, invasion of privacy by a government agent), the determination of social security benefits, tax refunds, contract violations, racial/sexual/age discrimination, and habeas corpus. The U.S. Government, on the other hand, initiates civil litigation against private parties for a wide range of purposes of its own. These purposes include the recovery of money obtained from the government by fraud, the acquisition of interests in land by eminent domain proceedings, the enforcement of administrative summonses, the enforcement of environmental, admiralty, civil rights and other laws for which there are civil law penalties, and the recovery of debts owed to the U.S. Government.

The representation of the U.S. Government in civil litigation has a very tangible effect on government assets. A thorough, well-developed defense will operate to minimize the exposure of the government to claims against it. Similarly, an aggressive advocate on behalf of the government will maximize the amounts recovered in plaintiff actions. Furthermore, the effectiveness of the U.S. Government's representation often has an impact beyond the individual case which is the subject of litigation. Precedents set in particular cases may affect the ability of the U.S. Government to protect itself against future claims as well as its ability to pursue future claims of its own.

868

Few civil cases are actually resolved by trial. In 1985, for instance, only 2,918 cases were concluded by trial compared with 85,045 which were either withdrawn, dismissed, disposed of on review of an administrative record, or settled prior to trial. Nonetheless, many pre-trial hours are spent in court by civil attorneys. In 1985, civil attorneys spent 132,364 hours before the District courts, 7,269 hours before the State courts on behalf of the United States, 20,647 hours before the bankruptcy courts, and more than 33,199 hours in special masters hearings or other similar proceedings. Although few cases actually go to trial, the ability of the government to obtain favorable dispositions depends to a large extent on the opposing counsel's perception of the government's probability of success in the event of trial, and the success of the United States in preliminary motions practice. For this reason, even though a trial is unlikely, each case must be prepared as if a trial were imminent.

In conducting civil litigation, U.S. Attorneys work closely with the legal divisions of the Department of Justice and the affected agencies to ensure that the government's interests are fully represented to opposing counsel and to the court. The U.S. Attorneys participate in negotiations with opposing parties, file appropriate motions and memoranda with the court, present the government's position in hearings before the court, take depositions, organize evidence, and conduct trials as necessary. The U.S. Attorney has authority to settle matters under $200,000.

Court proceedings are governed by many complex rules of law which are applied to actual situations. During the course of litigation, a trial judge is required to apply procedural rules and substantive legal theories to situations which are presented by the litigants. Either party can appeal the rulings. At the conclusion of the lower court proceedings, the losing party may petition a higher court to overturn the lower court judgment. As the U.S. Government generally prevails in civil cases, a significant amount of appellate activity involves the U.S. Government defending the trial judge's ruling. As a result, the level of appellate activity required by the U.S. Attorneys is directly related to their rate of success in the district courts. Appellate activity may flow from either trial or preliminary motions practice.

A majority of the civil appeals are handled by the U.S. Attorneys' offices. After considering the pertinent case law, the transcript, and any other information which bears on the issue, the Assistant U.S. Attorney formulates a written argument supporting the position of the U.S. Government. After filing the brief, the Assistant U.S. Attorney may be required to participate in oral argument before the court. If further appellate proceedings are required, the Assistant U.S. Attorney may be called upon to assist the Department's legal divisions and the Solicitor General in preparing the case for review by the U.S. Supreme Court. To ensure that a national perspective and consistency are attained, the preparation of appellate cases is coordinated with the appropriate legal division of the Department of Justice. All appeals brought by the U.S. Attorneys to overturn a lower court ruling are individually authorized by the Solicitor General.

668

Accomplishments and Workload: The civil litigation workload of the U.S. Attorneys follows:

	1984	1985	Estimates 1986	1987
Matters received	105,470	118,249	120,000	122,000
Matters closed	115,995	122,381	125,800	129,300
Matters pending, EOY	44,552	40,420	34,620	27,320
Cases filed	100,901	103,877	106,800	109,800
Cases terminated	83,307	87,963	92,900	97,900
Cases pending, EOY	146,640	162,554	176,454	188,254
Trials	2,403	2,918	3,100	3,300

Actual and estimated accomplishments are reflected above in the Workload and Performance Summary. Civil cases filed in 1985 amounted to 103,877, an increase of 2,976 or 2.9% over the previous year. This included 17,784 cases filed in state court and 2,973 civil appeals filed.

Of the cases terminated during 1985, 14,189 were suits in which the Government as defendant was sued for approximately $ 2.7 billion. Of these, 1,198 involving $882 million were closed by compromise reducing the amount to nearly $113 million and 5,518 cases involving $188 million resulted in judgments against the Government amounting to $15 million. The remaining 7,473 cases involving $1.6 billion were won by the Government, thus bringing the savings to nearly $2.6 billion. This is an increase of $1.3 billion or 109% more than was saved in 1984.

The U.S. Attorneys continued to devote significant resources during 1985 to both defending injunctive suits and bringing suits for enforcement of federal programs. They have been called upon to handle numerous land condemnation cases, actions to enjoin implementation of federal land use programs and injunctive actions related to environmental and natural resource matters such as the clean up of toxic waste sites and the removal of encroachments on military air fields, on Indian trust lands and on floodways of rivers. The U.S. Attorneys also handled individual and class suits filed against the Immigration and Naturalization Service and the Department of Health and Human Services, as well as a significant amount of civil forfeitures.

Finally, the U.S. Attorneys continue to actively pursue the collection of monies owed on student loans, Veterans Administration overpayments, and Small Business Administration loans. During 1985, U.S. Attorneys' offices collected over $321 million in cash: (this does not include non-cash amounts recovered, e.g., airplanes, houses and other personal property acquired by the government) in civil cases alone.

Program Change: An increase of 19 positions, 34 FTE workyears and $1,744,000 is requested for the Civil Litigation program in 1987. Of this increase, 20 FTE workyears and $1,180,000 are requested to reduce the lapse between positions and funded workyears; and 19 positions, 14 FTE workyears and $564,000 are for litigation in Defense of Monetary Claims.

The U.S. Attorneys were initially authorized a total of 2,439 attorney positions and 2,852 non-attorney full-time-permanent positions for all programs in 1985; supplemental resources were subsequently provided in 1985. Funding was appropriated for 4,956 full-time-permanent workyears for all positions combined. This level of workyears assumes a recurring lapse rate of 6.3 percent for all categories of employees. Applying this rate to the authorized level of 2,439 attorneys in 1985 yields a total of 2,285 available workyears. The actual attorney workyears used in 1985 was 2,338. This discrepancy (53 attorney workyears) between budgeted and anticipated levels accounts for a structural deficiency of $3,060,000 in the annual operating plan, which is divided between the Criminal Litigation and Civil Litigation programs. Because it is often difficult and time-consuming to hire support staff, the deficiencies have been offset partially by under-utilization of the non-attorney workyears. The remaining portion of this structural deficit has been offset by cancelling plans to spend funds built into the budget for the purpose of maintaining adequate facilities and equipment for a workforce that is dispersed among 94 offices.

For this portion of the 1987 request, no additional positions are requested. Instead, 20 attorney workyears costing $1,180,000 are requested for the Civil Litigation program to close the unfunded lapse rate to four percent. This represents the level of resources presently expended above the funded lapse rate for attorneys which results in diversion of funds and workyears required for other purposes. These resources will greatly enhance office productivity and eliminate non-legal impediments to case processing.

The increase of 19 positions, 14 FTE workyears and $564,000 for litigation in defense of monetary claims includes two attorneys, eleven paralegals and six clerical employees. This area includes defense of lawsuits brought by persons seeking a court judgment directing the United States to pay money to them. This is the least controllable (and predictable) kind of workload in this program, since initiation of the suits is outside of Department control and each requires a full response. Most cases are, in effect, a legal defense of activities undertaken by the multitude of federal client agencies. Examples of these cases are:

- A claim for damages to passengers and vehicles arising out of a collision involving a governmental vehicle such as a postal or army truck;
- A claim for damages premised on allegations of medical malpractice in one of many hospitals and clinics operated by the United States;
- A claim for damages arising from a person falling down on a post office or other federal property;
- A claim for damages against a Federal Bureau of Investigation or other federal agent for injuries suffered during an arrest or search;
- A claim for damages arising from a loss of property of an inmate in a federal prison;
- A claim for damages arising out of an industrial or mechanical accident in a federal workplace or facility; and
- A claim for breach of contract with the United States.

In tort cases, the United States is increasingly exposed to substantial claims for monetary damages. Although a great majority of these cases are settled prior to actual trial, a significant amount of preliminary work is required to realistically evaluate the worth of a case and to make an appropriate settlement. Agencies must be contacted, their files reviewed, and expert witnesses consulted. It is only after the case has been investigated that an accurate evaluation of whether the United States should settle the case or litigate it can be made. Inasmuch as the U.S. Attorneys have settlement authority for up to $200,000, a great number of these cases are handled entirely in the U.S. Attorneys' offices without active supervision by the Department's Civil Division. If the United States does not have adequate resources to investigate these cases, claims will be settled for more than they are worth; an unacceptable result. Similarly, cases which have merit and which should be defended, may in fact be settled when, through the expenditure of a relatively small amount of money, defenses can be discovered or damages can be substantially reduced. The United States, in a strong defensive posture, is best able to effect monetary settlements on grounds favorable to the United States.

Finally, since the Supreme Court decision opening up U.S. Government employees to constitutional torts under Bivens, the U.S. Attorneys have increasingly been called upon to defend government employees in their individual capacities. These cases have a substantial impact on morale in client agencies. Unless the United States is able to adequately defend its employees who are subject to these suits, the employees will certainly be less able to carry out their functions, and less willing to take a stance necessary to aggressively enforce government programs.

There are some thirty statutes which provide for the recovery of attorney's fees by plaintiffs who have successfully sued the United States. Perhaps the best known of these provisions are those which allow recovery in discrimination cases and the relatively new Equal Access to Justice Act. While some of these statutes limit the amount of recovery according to the amount of relief granted, some do not. The U.S. Attorneys are increasingly involved in protracted litigation, not on the merits of the suit brought, but on the question of whether attorney's fees are recoverable in the case and, if so, to what extent the amounts claimed by the opposing counsel should be granted. These "mini-cases" can be extraordinarily time consuming. Effective defense of excessive claims can involve the accounting for hours worked by opposing counsel by reviewing records and taking depositions, as well as hours of hearings seeking to establish the relative sophistication of the counsel's ability and the issues presented in the case itself. The amounts of money involved can be significant; fee claims routinely exceed $25,000.

The fee claims practice is far more common in the last few years, and has a significant impact on the number of government attorney hours necessary to conclude a given piece of litigation. It is a significant part of the need for attorney resources to maintain an effective defensive posture for the United States.

Monetary claims also include claims filed by persons for determination of entitlement to federal benefits, such as Social Security disability payments, after administrative denials. These cases not only implicate large sums of money when considered in the aggregrate, but also must be regarded as program standard defenses -- helping to ensure standard application of federal program criteria.

The moderate increase in resources requested is in recognition of a pattern of growth in workload in these cases nationwide. Examination of underlying data reveals that the cases involving tort claims, the most labor intensive of the causes of action, is where the impact of this extraordinary growth in tort litigation is most keenly felt.

Amounts at Issue in Civil Cases
U.S. Defendant

	All Categories (Pending EOY)	Torts Only (Pending EOY)
1980	$ 9,703,086,000	$ 7,031,892,000
1981	11,524,816,000	7,464,853,000
1982	12,425,402,000	9,227,198,000
1983	12,497,304,000	9,231,274,000
1984	14,555,610,000	11,123,553,000
1985	33,300,997,000	23,985,032,000
	(+243% in 6 years)	(+241% in 6 years)

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Education.....	25	24	$2,709	25	24	$2,744	25	24	$2,744	...	...	...

Long-Range Goal: To improve the quality of Government legal representation.

Major Objectives:

To provide effective, quality continuing legal education to an increasing percentage of Federal Government attorneys and other legal personnel.

To provide special training to assist in meeting policy priorities and special problems such as victim and witness protection and the Organized Crime Drug Enforcement Task Forces, which cross department and agency lines.

To offer video and audio tapes and other materials as a means of reaching a greater percentage of the federal attorneys in district and regional offices of the departments and agencies, and reduce the travel costs associated with Washington-based continuing legal education.

Base Program Description: The Office of Legal Education administers two institutes that provide continuing legal education to federal attorneys. The potential audience for continuing legal education includes more than 17,000 attorneys and several thousand other legal personnel, mostly paralegal specialists. The primary vehicle for providing instruction to Department attorneys is the Attorney General's Advocacy Institute (AGAI). The AGAI utilizes experienced trial attorneys and federal district court judges as instructors for lecture, discussion, and performance exercise sessions. Through the use of video tape facilities, student performances are recorded and played back for analysis and critique. By conducting courses in Washington, D.C., the AGAI also offers a means of introducing new Assistant U.S. Attorneys, as well as the Department's legal division attorneys, to the operational practices of the Department headquarters. Specialized topics are covered in lecture and problem-solving workshop sessions; these short seminars are held in Washington, D.C., and in locations around the country.

While the Advocacy Institute focuses on teaching courtroom technique, discovery and negotiation skills to Department attorneys, the Legal Education Institute (LEI) teaches administrative advocacy and a wide variety of substantive subjects to attorneys and other legal personnel employed throughout the Executive Branch. The federal perspective on topics practiced by legal personnel are presented in lecture and problem-solving workshop sessions; administrative and courtroom advocacy skills are taught through workshops during which exercises are videotaped for critical analysis by experienced practitioners. Federal attorneys and other legal personnel are not only participants but also are advisors, curriculum developers, and teachers of the LEI program. The programs are held primarily in Washington, D.C., and in other cities that have concentrations of federal employees.

Accomplishments and Workload: The legal education workload of the U.S. Attorneys is presented below:

			Estimates	
	1984	1985	1986	1987
Advocacy Institute (AGAI)				
Criminal sessions offered	6	5	6	6
Advanced criminal law sessions	3	3	4	4
Civil law sessions offered	6	6	6	6
Appellate sessions offered	4	4	4	4
Total courses offered AGAI	19	18	20	20
Students receiving AGAI instruction	840	728	840	840
Specialized seminars conducted	27	18	25	25
Students participating in specialized seminars	2,150	2,080	2,120	2,120

	1984	1985	Estimates 1986	1987
Legal Education Institute (LEI)				
Total courses offered LEI	94	109	107	107
Students receiving LEI instruction	5,472	6,168	6,168	6,168
Total students receiving AGAI and LEI instruction	8,462	8,976	9,128	9,128

The AGAI and LEI continue to increase the types of courses offered and the number of attorneys covered. In 1985, approximately 8,976 Executive Branch attorneys and other legal personnel attended courses with approximately 6,168 of these in LEI programs. The continuing Legal Education instruction hours were distributed as follows: AGAI 420, LEI 507. Participants represented every federal executive department and agency and 52 of the 53 independent government establishments. During 1985, LEI refined its newly developed courses and updated all its offerings.

The AGAI, in addition to the continued improvement in the basic courses, introduced a number of new subjects to the seminar series. For example, in response to requests from the litigating divisions, the Advocacy Institute has offered seminars in terrorism, obscenity, and classified information. Special sessions have been held to meet special problems, such as the new Victim-Witness Protection Act, which place special responsibilities on the U.S. Attorneys' offices, environmental crimes, and the increase in hazardous waste.

In some instances, there have been joint responses by the two institutes. For example, the continuing confusion and complexity in bankruptcy law as a result of the Supreme Court's decision several years ago have made it necessary to increase the number of offerings in the Bankruptcy Law series for agencies as well as for the Department of Justice. Each institute added a slightly different version of the Attorney Management Seminar to meet different needs. Also, in both institutes, there has been an attempt to make better use of video beyond the taping and playback of exercises. The institutes announce and administer the programs from Washington, D.C., but the agency regional offices provide federal space and equipment for video tape viewing by federal personnel in each city. Showings were held in eleven different regional cities in 1985. LEI provides federal personnel outside Washington, D.C., with easy, inexpensive access to courses.

	1986 Appropriation* Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime Drug Enforcement..	519	464	$24,948	519	502	$29,960	519	502	$29,960	...	...	...

Long-Range Goal: Through the coordination of federal, State, and local law enforcement, identify, investigates and prosecute those individuals involved in drug trafficking and organized crime.

Major Objectives:

To prosecute individuals who organize, finance or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations.

To promote a coordinated drug enforcement effort in each Task Force area, and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with State and local drug enforcement agencies.

To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to make possible government seizure of assets and profits derived from high-level drug trafficking.

Base Program Description: The Organized Drug Enforcement (OCDE) program implements a major Administration initiative to combat organized crime and drug abuse. Drug trafficking and organized crime are among the most serious crime problems facing the nation. The proceeds from drug sales further enable organized crime to carry out an array of serious crimes, including bribery of public officials, infiltration and take over of legitimate business firms, and money laundering and bank fraud which weaken key elements of the nations economy.

The OCDE program is an unprecedented effort representing the utmost degree of cooperation and coordination among federal, State and local law enforcement agencies. One of the key elements of the program is the establishment of the thirteen regional task forces to fight drug trafficking. The regions identify, investigate, and prosecute members of high-level drug trafficking enterprises to destroy the operation of those organizations.

Accomplishments and Workloads: The Organized Crime Drug Enforcement workload of the U.S. Attorneys follows:

			Estimates	
	1984	1985	1986	1987
Cases initiated	351	370	409	448
Cases in which indictments are returned	70	250	260	307
Indictments returned	681	889	900	986
Defendants indicted	2,541	3,157	3,231	3,539
Defendants charged with Racketeer Influenced and Corruption Organization	255	138	152	167
Defendants charged with Continuing Criminal Enterprise	139	144	154	174
Defendants convicted	1,086	1,482	1,640	1,796

906

In accomplishing program goals, the thirteen Task Forces throughout the nation have focused on cases involving members of major drug trafficking organizations, particularly traditional organized crime figures; other organized criminals and professionals who are importing and/or distributing large amounts of controlled substances or are financing them; and physicians or pharmacists illegally dispensing substantial quantities of prescription drugs. As of December 1984, the thirteen Task Forces had initiated 804 cases resulting in 953 indictments with criminal charges against 3,468 individuals. Of the 3,468 individuals, 1,408 have already been convicted and sentenced, and fines, seizures and forfeitures exceeded $219 million.

After the first full-year of operations, experience gained indicated that a number of judicial districts should be shifted from one Task Force to another to bring them more closely in line with the patterns followed by organized crime and the structures of the law enforcement agencies. These realignments would result in a streamlining of investigations and prosecution and a reduced need for bureaucratic coordination. Four such transfers of judicial districts were made on October 1, 1984.

An improved system for tracking cases has been implemented through the use of the OCDE Task Force (OCDETF) Case Monitoring System. This system is designed to satisfy the reporting and management needs of the Associate Attorney General, U.S. Attorneys, the OCDETF Working Group, the Task Forces, and other program administrators. In 1984, a revision to simplify and upgrade the reporting system was initiated. The resulting changes became effective January 1, 1985.

In September 1984, two caseload studies, Timeflow and Caseflow, were initiated to highlight and quantify the conditions of caseload stress so that future agent and attorney requirements might be more accurately predicted. The study, when distributed to the Task Forces, will assist coordinators and agency managers in predicting personnel requirements and effectively planning their caseloads. It should also provide the Justice Department with the potential for developing a new forecasting ability and provide an up-front profile and magnitude of future Task Force caseload.

In September 1985, a conference was held for the core city U.S. Attorneys and other participating agencies to discuss policies, procedures and objectives of the Task Force program. Included in this conference was a seminar entitled National Group Technique for Consensus Decision Making which gave the participants an opportunity to introduce their suggestions for increasing productivity, coordination and administration of the Task Forces.

The Drug Task Forces are making full use of financial investigative techniques, for Task Force cases, including tax law enforcement and forfeiture actions. Task Force cases involving income tax violations have been facilitated by a streamlining of the Internal Revenue Service internal review process, which was negotiated by the Tax Division. Previously, there have been difficulties in including tax charges in a drug law violation case because of the delays frequently encountered in obtaining approval for the tax charges. This problem has been largely obviated.

In the area of forfeiture actions, special training in forfeiture techniques has been given to many Task Force attorneys, and additional assistance has been made available by the Asset Forfeiture Office of the Criminal Division. In addition, the Task Forces are taking advantage of the U.S. Marshals Service's new component for handling forfeited property. The Deputy Marshal assigned to each of the Task Forces is facilitating this process.

Another financial investigative technique is the use of the Treasury Financial Law Enforcement Center (TFLC) to trace large cash transactions made at banks and large amounts of cash leaving the United States. The U.S. Customs Service has assigned Task Force personnel to the TFLC specifically to handle these matters for Task Force cases. The Task Force attorneys are taking advantage of this resource to make better financial crime cases against major drug traffickers.

For October 1983, Task Force attorneys reported spending 64% of their time in pre-indictment activities. By October 1984, the workload had shifted and Task Force attorneys are now spending 62% of their time on pretrial and trial/appeal functions. In 1985, a supplemental appropriation provided 152 new positions to the OCDE effort. These positions will facilitate expansion of case development in the 13 existing Task Forces.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration...	138	171	$15,653	148	176	$16,124	148	176	$16,124	...	...	...

Long-Range Goal: To provide consistent direction and an appropriate distribution of resources to the U.S. Attorneys and to respond promptly and efficiently to the administrative and management needs of the 94 U.S. Attorneys' offices.

Major Objectives:

To provide management, leadership and direction to the Executive Office for U.S. Attorneys and the U.S. Attorneys' offices.

To coordinate the successful implementation of all 94 district Law Enforcement Coordinating Committee plans.

To represent the interests of all U.S. Attorneys in the development of Department of Justice policy and to support system-wide consistency in the conduct of federal litigation.

To conduct field review, management audit and performance evaluations of each U.S. Attorney's office.

To formulate and execute an operating budget to satisfy the optimal needs of U.S. Attorneys' offices.

To formulate and implement Equal Employment Opportunity policy.

To formulate and exercise personnel management policy and authority in order to obtain the most qualified individuals for positions in the U.S. Attorneys' offices.

To provide all administrative support necessary to obtain adequate space and equipment.

To complete the design and implementation of a caseload management system and to make available optimal office technology for the U.S. Attorneys.

To provide policy direction and resources that will result in optimal efficiency in the collection of debts owed the U.S. Government.

Base Program Description: The Management and Administration program encompasses all of the Executive Office for U.S. Attorneys (EOUSA) with the exception of the Office of Legal Education. The EOUSA provides general assistance and supervision to the 94 U.S. Attorneys' offices, and coordinates and directs the relationship of other organizational units of the Department with these offices. Through the Office of Management Information Systems and Support, the EOUSA provides U.S. Attorneys' offices with the information and automated information systems necessary to achieve Department objectives and to ensure efficient use of resources. The Evaluation and Review Staff of the EOUSA assists U.S. Attorneys in recognizing improvements that can be made in the use of professional personnel while reducing the cost of the operation of the U.S. Attorneys' offices. The EOUSA, through its Legal Services Unit, provides legal interpretations and advice to U.S. Attorneys on concerns such as legislation, regulations and departmental guidelines. In addition, the EOUSA has responsibility for implementing affirmative action programs within the U.S. Attorneys' offices while managing a discrimination complaint program through its Equal Employment Opportunity unit. The Debt Collection staff of the EOUSA provides direction and oversight to U.S. Attorneys in the conduct of their debt collection activities. One of the more critical responsibilities of the EOUSA is the oversight of each U.S. Attorney's office Law Enforcement Coordinating Committee program. Each office is responsible for the formulation and implementation of such a plan. These plans are the backbone of the Administration's efforts to join with State and local authorities in conducting law enforcement functions. Another important responsibility of the EOUSA is the exercise of personnel management authority within the EOUSA and the U.S. Attorney's offices. The personnel authority includes all phases of personnel operations such as recruiting, selection, classification, training, adverse action and employee relations. The acquisition and renovation of space as well as procurement of all equipment, furniture, supplies and material are another program function of the EOUSA. Finally, through its Financial Management Staff, the EOUSA formulates and executes a budget for all 94 U.S. Attorneys' offices and itself. The formulation process includes any need for amendments, supplementals, reimbursements and transfers.

Accomplishments and Workload: Accomplishments of the Management and Administration program follow:

Item	1984	1985	Estimates 1986	Estimates 1987
1. Personnel:				
a. AUSA appointments	601	785	1,175	1,175
b. Non-attorney appointments	1,457	1,473	1,655	1,655
c. Position classifications completed	635	793	1,100	1,100
d. Total personnel actions processed	13,213	16,753	18,000	18,000

Item	1984	1985	Estimates 1986	1987
2. Legal Services				
a. Information requests pending, start-of-year	1,805	2,482	3,245	3,245
b. Information requests received	1,649	1,749	1,800	1,800
c. Information requests completed	972	986	2,500	2,500
d. Information requests pending, end-of-year	2,482	3,245	2,545	2,545
3. Reimbursable work authorizations processed	797	825	850	850
4. Requisitions processed	3,940	4,421	4,907	4,907
5. Purchase orders completed by EOUSA	468	1,630	2,296	2,296
6. Office evaluation reports	59	76	94	94
7. Financial transactions recorded	6,876	8,551	10,226	10,226
8. U.S. Attorney cash collections ($000)	$193,000	$338,218	$370,000	$390,000
9. Office of Management Information Systems and Support				
a. Computer/word processing sites	22	36	70	70
b. PROMIS/USACTS data base submissions to EOUSA	187	416	636	636
c. D&R input transactions	650,000	540,000	270,000	270,000
d. Litigation support projects	3	14	18	18

*Includes cash award of $113 million in Southern District of New York Marc Rich case.

The Equal Employment Opportunity Office (EEO) held its second training course for EEO Counselors and Investigators in 1985. The course was designed to teach counselors the art of resolving individual complaints of discrimination. Investigators were taught to provide more complete investigations and better handle sensitive questioning in sexual harassment and equal pay and religion cases. Of the 19 new matters received during 1985, 11 were closed either informally by resolution or failure of complaintant to follow through on his/her complaint. Sixteen cases were referred to Legal Services for resolution purposes. Ten were returned unable to resolve. Six cases are presently being reviewed. Three proposed dispositions were rendered by the EEO office. Three hearings were requested by complaintants. This office also requested the Department to reject or cancel three complaints. One complaintant filed a civil action during 1985.

The Office of Legal Services received 1,749 and processed 986 Freedom of Information/Privacy Act (FOIA/PA) requests. A FOIA/PA Task Force was created to reduce the request backlog. Major projects were completed on the United States Attorneys' Manual and the entire manual was converted to the Justice Retrieval and Inquiry System (JURIS) and made available to users. The system provides a list of FOI/PA for each instance in which the U.S. Attorneys' offices is required to seek prior authorization or consultation with the Department before initiating action. A review of this list will enhance enforcement operations by eliminating unnecessary prior authorization and consultation requirements and will restate them more effectively where necessary. A major review to certify the accuracy of and increase the efficiency and validity of the Manual was completed. As a result, the Manual, was entirely reprinted. The last major revision had been in 1976. The Attorney General's Advisory Committee of United States Attorneys approved 76 of the 80 Bluesheets submitted for review, while 57 Bluesheets and 40 Transmittals were issued, the majority of which resulted from passage of the Comprehensive Crime Control Act.

One of the most significant accomplishments of the Financial Management Staff (FMS) was the formulation of 1987 budget estimates for the U.S. Attorneys' offices. Following the budget formulation process, the initial estimate was submitted for Departmental review and a subsequent submission was formulated and forwarded to the Office of Management and Budget for its review. In addition to the budget formulation process, the FMS monitored and provided status of funds reports for use of EOUSA and Department policy level officials. As part of the execution of the budget, the FMS drafted and recommended to Department officials an allocation of positions for Victim Witness/Law Enforcement Coordinating Committee coordinators, tax prosecution units, debt collecton functions and the thirteenth Organized Crime Drug Enforcement Task Force. The FMS initiated a pilot project to place four U.S. Attorneys' offices on individual operating plans. Operating plans are now developed and monitored for the following units: Organized Crime Drug Enforcement Task Forces; Office of Management Information Systems and Support; Office of Legal Education; Districts of New Jersey and the Southern District of New York. The FMS also initiated a pilot project to place the Traveler's Check Program in eight of the U.S. Attorney's offices. Operating instructions for the establishments of Imprest Funds have also been distributed to all U.S. Attorney's offices. These instructions will enable the U.S. Attorney's offices to establish two types of imprest funds 1) establishing an imprest fund for change-making purposes and 2) establishing an imprest fund to be used for payment of miscellaneous small purchases, i.e., money order fees and local transportation expenses.

Accomplishments for the Facilities Management and Support Staff were as follows: coordinated the relocation of portions of the Executive Office staff from the Main Justice Building and the Skyline Towers Building to the Patrick Henry and Universal Buildings; coordinated relocation of the U.S. Attorneys' Offices in Scranton, Pennsylvania; New Haven, Connecticut; Miami, Florida; Madison, Wisconsin; Charlotte, North Carolina; Beaumont, Texas; Austin, Texas and Hammond, Indiana; coordinated with the U.S. Marshals Service on a reimbursable agreement for providing Court Security Officers in lieu of General Services Administration contract guards for the U.S. Attorney's Office in the Southern District of New York; initiated an automated tracking system for requisitions; conducted a cost analysis and received approval for implementing a facsimile network for the Executive Office staff and all U.S. Attorneys' offices; developed a natinwide standard solicitation for Grand Jury Court Reporter contracts; and initiated a program for Phase I of the installation of secure telephones in the U.S. Attorneys' offices. Design, planning and contracting for security alterations in Jacksonville, Tampa and Orlando, Florida were provided while design for new space assigned to the U.S. Attorneys' office in Albany, New York was accomplished and submitted to GSA for contact and construction.

General Statement

Mr. Early. We are pleased to welcome today the Deputy Attorney General, D. Lowell Jensen, who will present this request. Mr. Jensen, proceed with your statement at your own pace.

Mr. Jensen. Thank you, Mr. Chairman.

I have a statement I would like to put into the record, and I would like to abridge that and give a shortened version of that, if I may.

As you pointed out, Mr. Chairman, the total request for fiscal year 1987 in this appropriation category of General Legal Activities is for $584,099,000 to fund 9,061 positions and 8,962 full-time equivalent workyears. As you have pointed out, this is a somewhat different budget in the sense that we are asking the U.S. Attorneys account, which had been in another appropriation, be added. This, in effect, puts all of our lawyers, virtually all of the lawyers in the Department, in the same funding account, so that the actual increase, when you consider the fact that that transfer has taken place, is a net increase of 141 positions, 353 FTE workyears and $57,297,000.

This request includes technical adjustments for 14 positions and uncontrollable increases of 228 workyears and $39,675,000. The program increases are at a level of 163 positions, 157 workyears and $21,824,000. There are also decreases from management savings of four positions and four workyears and program curtailments totaling 32 positions and 28 workyears.

TAX DIVISION

If I could summarize, Mr. Chairman, the program changes that are a part of this budget request. In the Tax Division, one of the litigating divisions here in Washington, we are asking for a program increase of some 17 positions, 11 workyears and $663,000. Basically these positions are in two areas: One is for increased appellate workload, and the other is for the Organized Crime Drug Enforcement Task Forces, where tax lawyers are increasingly involved in the investigation and prosecution of drug task force cases. The 17 new positions would be in the Appellate and Drug Enforcement Task Force areas

They are offset by a program curtailment in Civil Tax Litigation as the result of workload decreases, and the net effect of this is that we have a program enhancement of some five positions.

CRIMINAL DIVISION

In the Criminal Division, we have the same sort of situation where we are asking for program increases of 28 positions, 14 workyears and $844,000. That is offset by program curtailments of 15 positions, 18 workyears and $682,000 and management savings totaling $152,000. The net in this instance is 13 positions. The areas of program enhancement that we are looking to are chiefly in the organized crime strike forces that are now situated in various cities around the country, basically to move into emerging areas of organized crime so that we can extend the activities of those strike

forces beyond the so-called traditional organized crime enforcement areas to emerging areas.

We are also asking for increases that would meet workload demands in our Narcotics Section and International Affairs and in the Defense Department procurement fraud area. As I said, there are program curtailments and some specific areas in the Criminal Division that were offset, and the net would be a 13-position enhancement.

CIVIL DIVISION

In the Civil Division, we are asking for the biggest increase by way of program enhancement, an increase of 72 positions, 54 workyears and $5,755,000. The bulk of this is in the Torts Branch and the Commercial Litigation area of the Civil Division. $2.5 million is for automated litigation support in the Torts Branch. The resources that are requested here are as a result of enhanced caseload, specifically in defensive litigation.

As you know, the Civil Division essentially represents the government in those instances where suits are brought against the government. Some specific areas would be medical malpractice claims, employee negligence claims, atomic weapons contractors cases, asbestos cases, and airline disasters.

I might say that in that area, the caseload is expressed in terms of the exposure of the government in terms of money claims against it. The Civil Division has experienced an increase since 1981, where our exposure was roughly $46 billion. This year, our exposure in cases that are now being handled by the Civil Division is at a level of about $230 billion. So the activity that is there in terms of defensive litigation on behalf of the government is critical, and those increases are to address the workload.

As I said, in the Torts area, $2.5 million is for litigation support. Basically these areas are document intensive. Millions of documents find their way into these cases. The asbestos cases we have require us to do litigation support activity, which is of a tremendous dimension and enables us to handle these cases in the most productive way on behalf of the government.

There is also an area of increased program requests in the Civil Division for attorneys to do litigation to seek recoveries on behalf of the government. We are increasing our efforts in that area. One of those areas is in the Defense Department procurement fraud.

LAND AND NATURAL RESOURCES DIVISION

Turning to the Lands Division, our increase is for an enhancement of 11 positions, six workyears and $373,000 for defensive litigation, once again, in a specific area that has to do with environmental protection programs. There is an offset because of a declining workload in the lands acquisition program, so the net increase is six positions.

LEGAL OFFICE AUTOMATION FUND

There is also an increase in our budget request, a specific area of earmarking of funds for automation programs across all of our liti-

gating components and the U.S. attorneys. The proposal asks for $10 million to be set aside in this area. The activities that are involved here are critical for the modernization of our automated systems and also for bringing uniformity to the litigating divisions. At the present time, we have situations where autonomous and separate developments have taken place without sufficient uniformity being attended to, and this program allows us to look at a development of automated data processing in the Department of Justice for information processing, word processing types of activities and also for management information. It also would allow us to move toward a central uniform management system for the Department which does not exist at the moment.

CONSOLIDATION OF U.S. ATTORNEYS ACTIVITY

The request here, as you pointed out, Mr. Chairman, would combine in this General Legal Activities appropriation the U.S. Attorneys now with the litigating divisions. We feel that this will be of a great deal of assistance in the management of the Department in consolidating our litigating activities. It gives us a level of flexibility which does not exist at the moment.

U.S. ATTORNEYS

In the U.S. Attorneys area, itself, we are requesting increases in 1987 to fund some 16 positions and 45 workyears at a level of $2.4 million in criminal litigation and an increase of 19 positions, 34 workyears, and $1.7 million in civil litigation programs, which would increase the resources of the U.S. Attorneys in those specific areas.

Mr. Chairman, that basically concludes my abridged remarks. The central things to be noted, I believe, are the mixture of a new appropriation account by bringing the U.S. Attorneys in and a level of enhanced programs that I have described in the Civil Division, the Criminal Division, Tax Division and the U.S. Attorneys.

[The prepared statement of D. Lowell Jensen follows:]

In 1985, the Personnel Staff conducted an evaluation of the system/human resource needs of their staff. They also began the evaluation of the use of delegated personnel authorities in appropriate districts. In addition to maintenance of personnel needs of over 5,000 employees in over 150 staffed offices, this organization also staffed new positions, such as the LECC/ Victim Witness coordinators, tax prosecution units, debt collection positions, and the thirteenth Drug Task Force.

The Headquarters Evaluation and Review Staff (EARS) visits U.S. Attorneys' offices and conducts on-going evaluations as frequently as budget and time permits to ensure uniform quality of review and to provide assistance to evaluators when reviewing very large offices. A total of 19 supervisory visits were made in 1985. In 1985, using field volunteer evaluators, 36 legal management reviews, 6 administrative reviews; and 47 collection reviews were completed. The EARS also conducts annual training conferences for all three groups of evaluators. These conferences are necessary to train new evaluators and to maintain uniform evaluation practices. In 1985, the staff conducted one conference. Also, in 1985, the EARS assumed responsibility for coordinating and evaluating the implementation of the Federal Managers Integrity Act and OMB Circular No. A-123 (Waste, Fraud, and Abuse in Government). A written evaluation of 25 offices was conducted to assess the vulnerability of those offices to waste, fraud, and abuse and to assess the procedures in place to ensure adequate internal controls. Finally, in 1985, EARS assumed responsibility for personnel resource management. A practice of routinely acquiring information on projected workloads from client agencies and the Administrative Office for U.S. Courts was established. This information enhances EOUSA's ability to project specific personnel requirements for U.S. Attorneys' offices several years into the future.

The Office of Management Information Systems and Support (OMISS) within the EOUSA provides direction and oversight to U.S. Attorneys in the conduct of their debt collection and general caseload management activities. They assure that Department objectives are being met and provide offices with the automated information systems necessary to support their litigating activities and to assure efficient use of resources. OMISS is responsible for a multi-year project to provide modern word processing equipment to all U.S. Attorneys' offices and to implement caseload and collection management systems on word processors or computers in all districts. During 1985, OMISS completed installing systems from a contract signed with Lanier Business Systems in February 1983. These systems bring modern word processing facilities to the smaller U.S. Attorneys' offices and provide hardware on which to operate a caseload and collection management system. At the end of the fiscal year, Lanier equipment was operational in 108 locations in 67 districts and all U.S. Attorneys' offices had the ability to electronically communicate revisable documents to their staffed branch offices.

Contractor resources have been used for the implementation of the Prosecutors Management Information System (PROMIS) for caseload and collection management on Prime computers in the largest 20 districts. OMISS personnel developed the United States Attorneys' Caseload Tracking System (USACTS) for use on Lanier equipment in the smaller offices. OMISS personnel started USACTS implementations in January 1985 and began to direct PROMIS implementations when the implementation contract ended in March 1985. At the end of the fiscal year, USACTS was operational in 10 districts and PROMIS was operational in 24 districts.

912

Changes in caseload have dictated the use of computers instead of word processors for caseload and collection management in a number of mid-size offices. Eight optional computers from the original Prime contact and 15 additional small Prime computers acquired early in 1986 will provide machines on which to implement PROMIS in a total of 45 districts. USACTS will be used on Lanier equipment in the remaining 48 districts. EOUSA will continue to implement PROMIS and USACTS at the rate of three districts per month during 1986 and into mid-1987.

During 1985, OMISS continued its efforts to enhance the automated legal research capabilities of the U.S. Attorneys' offices. At the end of the fiscal year, 153 JURIS custom terminals were installed in U.S. Attorneys' offices and their branches. Late in the fiscal year, communications software, which allows Prime terminals normally used for caseload management to be used as JURIS research terminals, was acquired for installation on all Prime computers. Over 1,000 individuals received JURIS training. The addition of the text of the U.S. Attorneys' Manual, and selected briefs written by the Office of the Solicitor General, the Civil Division, and the U.S. Attorneys themselves has made JURIS more useful. Attorneys' offices continued to use JURIS terminals to access selected data bases provided by WESTLAW and LEXIS which are not a part of JURIS.

In 1985, computerized litigation support was funded for four highly publicized cases with complicated evidentiary problems. During the year, computer system managers in U.S. Attorneys' offices played a greater role in providing litigation support using individual districts' Prime computer facilities. However, the ability of local computer system managers to provide this support has been limited somewhat, due to the lack of easy-to-use litigation support software.

U.S. Attorney collections efforts were severely affected by the transfer of the responsibility from the Courts for physically processing fine/assessments payments. Significant effort was expended implementing certain aspects of the Crime Control and Fine Enforcement Acts and developing systems for handling significantly more payments than the Courts ever processed.

A "special project" was conducted with the Department of Education to file suit speedily and pursue judgment on student loans. During the year, the U.S. Attorneys processed approximately 15,000 "good" claims under this project. With the U.S. Public Health Service, pursuit of claims against doctors who default on agreements to serve in deprived areas was emphasized.

A new two page Claims Collection Litigation Report (CCLR) was developed for 1986 implementation. It provides core information for claims for smaller amounts which almost never go to trial. Use of this form means less preparation work for the referring agencies.

United States Attorneys

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal Litigation Pos.	Criminal Litigation Amount	Civil Litigation Pos.	Civil Litigation Amount	Total Pos.	Total Amount
Grades						
GS/GM-14	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...
GS-12	...	...	...	...	...	...
GS-11	1	$26	1	$26	2	$52
GS-9	6	132	10	218	16	350
GS-7	5	89	6	107	11	196
GS-6	...	...	...	...	...	...
GS-5	...	...	...	...	...	...
GS-4	...	...	...	...	...	...
Ungraded positions	4	228	2	103	6	331
Positions and annual rate	16	475	19	454	35	929
Lapse (-)	-4	-138	-5	-136	-9	-274
Reduction in lapse (+)	33	1,880	20	1,180	53	3,060
Total Permanent workyears and comp	45	2,217	34	1,498	79	3,715
Personnel benefits		40		37		77
Travel and transportation of persons		30		30		60
Transportation of things		2		2		4
Standard level user charges		30		40		70
Comm. utilities and other rent		16		21		37
Printing and reproduction		8		8		16
Other Services		73		75		148
Supplies and materials		8		10		18
Equipment		21		23		44
Total Workyears and Obligations, 1987	45	2,445	34	1,744	79	4,189

United States Attorneys

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program	
Program	Ranking
Criminal Litigation	1
Organized Crime Drug Enforcement	2
Civil Litigation	3
Management and Administration	4
Legal Education	5

Program Increase	
Program	Ranking
Civil Litigation	1
Criminal Litigation	2

United States Attorneys

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987		
			Technical Adjustment	Program Increases	Total
Attorneys (905)	2,604	2,654	...	6	2,660
Paralegal Specialists (950)	367	367	...	18	385
Legal and Kindred (900-998)	979	979	...	...	979
Criminal Investigative Series (1811)	10	10	...	...	10
Social Sciences, Economics and Kindred (100-199)	2	2	...	...	2
Personnel Management (200-299)	28	28	...	...	28
General Admin., Clerical and Office Services (300-399)	1,711	1,761	10	11	1,782
Accounting and Budget (500-599)	12	12	...	...	12
Library and Archives Group (1400-1499)	8	8	...	...	8
Supply Group (2000-2099)	2	2	...	...	2
Total	5,723	5,823	10	35	5,868
Washington	177	177	10	...	187
Field	5,546	5,646	...	35	5,681
Total	5,723	5,823	10	35	5,868

DEPARTMENT OF JUSTICE

GENERAL LEGAL ACTIVITIES

STATEMENT OF THE DEPUTY ATTORNEY GENERAL

D. LOWELL JENSEN

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and members of the Subcommittee:

I am pleased to appear before you in support of the 1987 budget request for the General Legal Activities appropriation. The Department is requesting $584,099,000 to fund 9,061 positions and 8,962 full-time equivalent (FTE) workyears. The 1987 budget request includes the transfer of 5,833 positions, 5,711 FTE workyears and $349,629,000 for the United States Attorneys into the General Legal Activities appropriation. While the change in the appropriation compared to the 1986 level appears to be quite large, the actual increase when the U.S. Attorneys' 1986 level is considered, is only 141 positions, 353 FTE workyears and $57,297,000.

The request includes uncontrollable increases of 14 positions, 228 FTE workyears and $39,675,000 and nonrecurring decreases of $2,378,000. Also included are program increases of 163 positions, 157 FTE workyears and $21,824,000, program decreases from management savings initiatives of four positions, four FTE workyears and $257,000 and program curtailments totaling 32 positions, 28 FTE workyears and $1,567,000.

I would like to summarize for the Subcommittee the program changes we are proposing for 1987.

First, we are requesting an increase of $663,000 to fund 17 positions and 11 FTE workyears for the Tax Division, allowing it to address the increased workload in the appellate and OCDE programs. These increases, however, are virtually offset by a program curtailment in the civil tax litigation area of 12 positions, 12 FTE workyears and $660,000. Current case receipts in the civil tax litigation area indicate that fewer resources will be needed in 1987, hence we propose to redirect these resources to address the Attorney General's priorities. Increases in the appellate area will address the growing caseload arising from judgments entered in the Tax Court, as well as in the federal and State trial courts, with emphasis given to tax shelter appellate litigation. With the OCDE increase, the Tax Division will become a full participant in the Attorney General's program to combat organized crime and drug trafficking.

In the Criminal Division, an increase of 28 positions, 14 FTE workyears and $844,000 is offset by management savings totaling $152,000 and program curtailments totaling 15 positions, 18 FTE workyears and $682,000. Program increases are requested for the Organized Crime Strike Forces to allow the Division to extend its presence beyond the largest urban areas and traditional organized crime syndicates. Additional resources are also

requested to address the growing narcotics workload as well as the expected increase in cases and investigative workload in the Defense Department procurement fraud area. Also, additional resources are needed to strengthen our ability to deal with the international aspects of criminal operations. We are facing a growing requirement to provide advice and consultation to domestic and foreign prosecutors and law enforcement officials and to coordinate the activities of the Department of Justice with respect to international law enforcement initiatives.

Program decreases for the Criminal Division include the termination of the Division's Honor Law Graduate Program; elimination of the summer employment program; reduction of regular mail transfers; and, the elimination of some on-site inspections of Foreign Agents Registration Act (FARA) registrants. Further decreases include the cessation of audits dealing with FARA registrants; curtailment of analytical assistance provided to policymakers outside of the Criminal Division; and, reduction of the level of involvement in certain aspects of the protected witness program.

For the Civil Division, we are requesting an increase of $5,775,000 to fund 72 positions and 54 FTE workyears of which 14 positions, 10 FTE workyears and $3,216,000 is for the Torts Branch and 58 positions, 44 FTE workyears, and $2,539,000 is for the Commercial Litigation program. In the Torts program

increase, $2,541,000 is for automated litigation support and $675,000 is for personnel related increases. With these enhanced resources, Division attorneys will be able to handle the burgeoning caseload as a result of airline disasters, medical malpractice and employee negligence claims, Atomic weapons contractor cases and asbestos cases. In the Commercial Litigation program increase, we are requesting resources to enable Division attorneys to handle litigation arising out of the creation of the Claims Court and the Court of Appeals for the Federal Circuit, protect the creditor rights of the United States in bankruptcy cases involving several utility cooperatives and continue to provide strong support for the Administration's initiatives in the area of Defense Department procurement fraud.

Increases for the Land and Natural Resources Division total 11 positions, 6 FTE workyears and $373,000 for necessary defensive litigation in the Environmental Protection program. We are proposing to offset the increase partially by proposing a decrease of 5 positions, 5 FTE workyears and $225,000 for the Land Acquisition program. The increase will be used for new defensive environmental cases arising from the 1984 amendments to the Resource Conservation and Recovery Act, and for the defense of federal agencies charged with violations of the environmental statutes. Also, the increase will support the litigation to protect the use of the nation's wetlands. The decrease in the Land Acquisition program is possible

because the Section's workload is declining and because the Division will undertake a comprehensive management efficiency review to streamline the program's operations.

The 1987 budget request also includes a request for $10,000,000 to fund office automation projects for the Department's litigating components. Under this proposal, new office automation requirements will be centrally coordinated, developed and funded on a priority basis. A major investment in new technology by the litigating organizations is essential, because much of the current equipment is outdated, or soon will become obsolete. Some organizations have equipment purchased in 1980-82 or earlier, and by 1987 this equipment will have reached the end of its useful life. Moreover, some organizations have equipment which was manufactured by companies which have withdrawn from the market and maintenance of this equipment is no longer cost effective. Joint planning and acquisition strategies will be developed by the Litigation Office Automation Steering Committee under my direction. One objective I have established for this replacement effort is to establish and implement uniform standards for system compatibility and information interchange to enhance management reporting and accountability. Only through modernization of automated systems can we expect to achieve an efficient use of our resources thereby limiting the need for increased staff.

As I mentioned earlier, the Department proposes to transfer the United States Attorneys activity to the General Legal Activities appropriation. The transfer will go a long way toward consolidating the Department's litigating activities within one appropriation. In consolidating the Department's litigating activities, management will have enhanced flexibility to apply the Attorney General's litigation priorities. We are requesting increases in 1987 to cover the U.S. Attorneys' Criminal and Civil Litigation programs. The request of $2,445,000 to fund 16 positions and 45 FTE workyears for the Criminal Litigation program will be used to enhance narcotics and dangerous drug litigation and reduce the lapse between authorized positions and funded workyears. Because of the excellent work being done by the Organized Crime Drug Enforcement Task Forces (OCDETF), we are experiencing significant numbers of spin-off cases which do not meet the OCDETF case criteria, but present good cases for our U.S. Attorneys. Often, they involve substantial amounts of narcotics as well as the potential for the recovery of substantial amounts of fines and assets. Between 1983 and 1986, matters pending at the beginning of the year increased by 87 percent to a level of 5,253. Cases pending during the same period increased by 31 percent to a level of 5,943. The additional staff will address some of this increased workload.

The increase of 19 positions, 34 FTE workyears and $1,744,000 for the U.S. Attorney's Civil Litigatic program will provide funds for the defense of monetary claims and also reduce the lapse between positions and funded workyears. Three specific areas of growth are major contributors to the increased caseload: (1) Bivens Cases - Since the Supreme Court decision exposing government employees to Constitutional tort liability under Bivens, the U.S. Attorneys have increasingly been called upon to defend government employees in their individual capacities. These cases have a substantial effect on morale in client agencies. Unless the United States is able to defend its employees when sued, the employees' resolve to enforce government programs aggressively will weaken considerably; (2) Fee Claims Practice - There are some thirty statutes which provide for the recovery of their attorneys' fees by plaintiffs who have successfully sued the United States. U.S. Attorneys are increasingly involved in protracted litigation, not on the merits of the suit brought, but on the questions of whether, and how much, attorney's fees are recoverable. The fee claims practice has been far more common in the last few years, and has a significant effect upon the number of attorney hours necessary to conclude a given case; and (3) Dollar Exposure in Tort Claims - Of the thousands of cases litigated by the U.S. Attorneys, the most

expensive and labor-intensive involve tort claims. Since 1981, the dollar value of pending claims has risen from $7.5 billion to a level of $24.0 billion in 1985, an increase of 221 percent.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or the other members of the Subcommittee may have.

59-584 O—86——30

SETTLEMENT OF CASES

Mr. EARLY. Thank you. Regarding the Civil Division and the Land Division, we seem to be getting away from settling cases out of court. What is the trend? What is the percentage of civil and land-type cases that are settled out of court, let's say, for 1984, 1985 and 1986?

Mr. JENSEN. I can't give you it off the top of my head, specifically. I think there is not a significant shift in our litigation posture. There are cases that are being settled out of court, and there are cases in litigation.

I would be very happy to give you a specific description of some level of history so you could compare——

Mr. EARLY. Please supply for the record, 1984, 1985 and 1986, the number of cases you had and the number settled out of court in the Civil Division. In the Lands Division also provide the number of cases and the number settled. I really feel that the U.S. Attorneys', just like in the U.S. Congress, that egos are preventing us from getting the best bang for our buck. It appears that the U.S. Attorneys don't seem to have any problem continuing with a case and bringing on new cases and not really terminating a case for the right reasons. I think that is a problem.

Mr. JENSEN. I would be happy to get you some information on that. I can cite a rough figure that I think might be helpful, Mr. Chairman, in terms of our resolution of cases.

As I mentioned, the exposure is rather dramatic. Over the last three years I believe, there has been a resolution of cases in the Civil Division and also those cases in the U.S. Attorneys' Offices, and our exposure—claims against the government of about $500 billion have been settled by a payout of something like $500 million. So we have been rather successful in limiting the actual resolution of cases in terms of the government's liability in making these payments out.

I would be very happy to give you that statistical breakdown.

[The following information was submitted:]

SETTLEMENT OF CASES

	1984		1985		1986 [1]	
	Number of cases	Percent	Number of cases	Percent	Number of cases	Percent
Tax Division	626	2	648	2	288	3
Civil Division	2,969	15	6,259	14	452	15
Lands Division	1,122	60	826	47	188	66

[1] Reflects an estimate based on actuals to date.

EXPENSE OF LITIGATION

Mr. EARLY. I would like to see that. That is most productive. I really have problems with U.S. Attorneys though. I am now convinced they don't care what the expense is. They will bring in any number of witnesses. You know, you can't lose by bringing in more; but they have to give us our money's worth.

Mr. JENSEN. That is very true. I think that the expenses of litigation is a management responsibility for the U.S. Attorneys. You are exactly correct, we can look at it in terms of our management responsibility to see if we are doing it cost effectively. That is what is necessary.

IMPACT OF GRAMM-RUDMAN-HOLLINGS REDUCTION

Mr. EARLY. Absolutely. The sensationalism always seems to come out. A total of $22,652,000 was sequestered in this account as the result of the Gramm-Rudman-Hollings legislation. What will be the impact on the Legal Divisions and the U.S. Attorneys account?

Mr. JENSEN. We have had sessions. The Department has a Department Resource Board, that deals with budget issues, and the Resource Board has met with all the Litigating Divisions and the U.S. Attorneys, and specific sequestered amounts have been discussed with them. The aggregate is at that level. There is a difference in terms of the divisions in some senses in that some of them are almost all personnel costs, and they don't have much of an equipment or program base that is available to them. I think we could say, Mr. Chairman, that in each one of the Litigating Divisions we find ourselves in the position that we will not have to terminate any employees or programs.

However, we are going to have to defer levels of hiring. We have already imposed limits on hiring of enhanced positions or turnover positions that are a part of the practice in each of the Litigating Divisions. Some of the costs that you mention also, litigating costs, that are associated with the supportive cases, are going to have to be reduced.

So the basic effect we are looking at right now is an impact on hiring with reference to deferred hiring and less of an impact on litigation support expenses.

HIRING IN U.S. ATTORNEY DISTRICTS

Mr. EARLY. You have 94 different U.S. Attorney districts.

Mr. JENSEN. Yes.

Mr. EARLY. How difficult would it be to give us a breakdown of the effects of the Gramm-Rudman-Hollings?

Mr. JENSEN. We can do that. What we have done, and, as I say, the hiring of personnel is essentially what the Department of Justice is all about. That is the basic way we do that. Each one of the U.S. Attorneys has a kind of account available each year for their workyears, and they use the workyear kind of measurement to see what expenditures would be in their salary accounts. We could do that for each one of the U.S. Attorneys for you.

Mr. EARLY. In each District of the U.S. Attorneys, do they keep the money they recoup?

Mr. JENSEN. No. It doesn't stay within the District, it goes to the general fund. It goes into a central pool. We have central management for all of the cash flow to make sure that the money moves as quickly as we can conceivably do it out of the U.S. Attorneys into a central account, so that we will not have money sitting in somebody's drawer, for example. So we have cash accounts.

Mr. EARLY. I am not trying to fill up the record, but will you submit the 94 regions for this committee?

Mr. JENSEN. Yes, we will do that.

Mr. EARLY. With a breakdown——

Mr. JENSEN. Yes, we will do that. We have given them that kind of structure.

[The following information was submitted:]

EFFECT OF G-R-H ON U.S. ATTORNEY OFFICES BY DISTRICT

	TOTAL FTE CEILING	4.3% G/R/H REDUCE	REVISED FTE CEILING
ALABAMA / MIDDLE	20.24	0.87	19.37
ALABAMA / NORTHERN	47.68	2.05	45.63
ALABAMA / SOUTHERN	17.54	0.75	16.79
ALASKA	20.36	0.88	19.48
ARIZONA	79.08	3.40	75.68
ARKANSAS / EASTERN	31.70	1.36	30.34
ARKANSAS / WESTERN	11.90	0.51	11.39
CALIFORNIA / CENTRAL	203.46	8.75	194.71
CALIFORNIA / EASTERN	64.28	2.76	61.52
CALIFORNIA / NORTHERN	97.12	4.18	92.94
CALIFORNIA / SOUTHERN	88.66	3.81	84.85
COLORADO	54.25	2.33	51.92
CONNECTICUT	43.54	1.87	41.67
DELAWARE	15.54	0.67	14.87
DISTRICT OF COLUMBIA	131.02	5.63	125.39
FLORIDA / MIDDLE	84.40	3.63	80.77
FLORIDA / NORTHERN	25.12	1.08	24.04
FLORIDA / SOUTHERN	182.84	7.86	174.98
GEORGIA / MIDDLE	24.66	1.06	23.60
GEORGIA / NORTHERN	72.42	3.11	69.31
GEORGIA / SOUTHERN	27.38	1.18	26.20
GUAM	7.64	0.33	7.31
HAWAII	29.94	1.29	28.65
IDAHO	20.80	0.89	19.91
ILLINOIS / CENTRAL	27.26	1.17	26.09
ILLINOIS / NORTHERN	168.12	7.23	160.89
ILLINOIS / SOUTHERN	25.12	1.08	24.04
INDIANA / NORTHERN	29.70	1.28	28.42
INDIANA / SOUTHERN	32.08	1.38	30.70
IOWA / NORTHERN	15.28	0.66	14.62
IOWA / SOUTHERN	17.42	0.75	16.67
KANSAS	33.96	1.46	32.50
KENTUCKY / EASTERN	41.54	1.79	39.75
KENTUCKY / WESTERN	28.94	1.24	27.70
LOUISIANA / EASTERN	56.46	2.43	54.03
LOUISIANA / MIDDLE	14.58	0.63	13.95
LOUISIANA / WESTERN	35.90	1.54	34.36
MAINE	18.04	0.78	17.26
MARYLAND	70.18	3.02	67.16
MASSACHUSETTS	79.00	3.40	75.60

MICHIGAN / EASTERN	98.94	4.25	94.69
MICHIGAN / WESTERN	33.08	1.42	31.66
MINNESOTA	46.24	1.99	44.25
MISSISSIPPI / NORTHERN	17.10	0.74	16.36
MISSISSIPPI / SOUTHERN	28.64	1.23	27.41
MISSOURI / EASTERN	42.86	1.84	41.02
MISSOURI / WESTERN	45.68	1.96	43.72
MONTANA	14.92	0.64	14.28
NEBRASKA	22.28	0.96	21.32
NEVADA	31.47	1.35	30.12
NEW HAMPSHIRE	15.72	0.68	15.04
NEW JERSEY	127.64	5.49	122.15
NEW MEXICO	35.78	1.54	34.24
NEW YORK / EASTERN	141.66	6.09	135.57
NEW YORK / NORTHERN	32.26	1.39	30.87
NEW YORK / SOUTHERN	263.98	11.35	252.63
NEW YORK / WESTERN	41.98	1.81	40.17
NORTH CAROLINA / EASTERN	26.38	1.13	25.25
NORTH CAROLINA / MIDDLE	20.24	0.87	19.37
NORTH CAROLINA / WESTERN	17.04	0.73	16.31
NORTH DAKOTA	17.98	0.77	17.21
OHIO / NORTHERN	79.70	3.43	76.27
OHIO / SOUTHERN	55.70	2.40	53.30
OKLAHOMA / EASTERN	12.78	0.55	12.23
OKLAHOMA / NORTHERN	18.86	0.81	18.05
OKLAHOMA / WESTERN	35.40	1.52	33.88
OREGON	48.30	2.08	46.22
PENNSYLVANIA / EASTERN	114.10	4.91	109.19
PENNSYLVANIA / MIDDLE	27.26	1.17	26.09
PENNSYLVANIA / WESTERN	63.28	2.72	60.56
PUERTO RICO	45.80	1.97	43.83
RHODE ISLAND	15.60	0.67	14.93
SOUTH CAROLINA	56.26	2.42	53.84
SOUTH DAKOTA	20.30	0.87	19.43
TENNESSEE / EASTERN	28.00	1.20	26.80
TENNESSEE / MIDDLE	26.74	1.15	25.59
TENNESSEE / WESTERN	34.14	1.47	32.67
TEXAS / EASTERN	29.26	1.26	28.00
TEXAS / NORTHERN	77.02	3.31	73.71
TEXAS / SOUTHERN	95.06	4.09	90.97
TEXAS / WESTERN	65.66	2.82	62.84
UTAH	29.26	1.26	28.00
VERMONT	17.04	0.73	16.31
VIRGIN ISLANDS	19.92	0.86	19.06
VIRGINIA / EASTERN	67.48	2.90	64.58

VIRGINIA / WESTERN	25.88	1.11	24.77
WASHINGTON / EASTERN	16.04	0.69	15.35
WASHINGTON / WESTERN	55.58	2.39	53.19
WEST VIRGINIA / NORTHERN	15.22	0.65	14.57
WEST VIRGINIA / SOUTHERN	33.90	1.46	32.44
WISCONSIN / EASTERN	33.02	1.42	31.60
WISCONSIN / WESTERN	16.48	0.71	15.77
WYOMING	11.40	0.49	10.91
TOTAL	4507.46	193.82	4313.64

FURLOUGHS OF EMPLOYEES

Mr. EARLY. Will it be necessary for the legal divisions and/or the U.S. Attorneys to furlough?

Mr. JENSEN. I don't believe so. We have considered that. We have considered that as one of the things that we ought to have in mind as a budget management kind of device. It would be possible to furlough in circumstances where it would not have a program impact if you did it in specifically designated times. We don't really think that is going to be necessary. We don't look to that as being one of the impacts.

REPROGRAMMINGS

Mr. EARLY. You must anticipate submitting quite a bit of reprogramming requests then?

Mr. JENSEN. We will be submitting reprogrammings, and it will probably differ in each of the litigation divisions. They don't have the same kind of budgetary situation in each instance. For example, in the 1985 supplemental activities, there were increases that came late in the year, and some organizations are better off than others in that respect.

TRANSFER OF U.S. ATTORNEYS TO GENERAL LEGAL ACTIVITIES

Mr. EARLY. Part of your request for 1987 proposes the merger we spoke of earlier of the U.S. Attorneys with the funds in this account. What is the purpose of this merger?

Mr. JENSEN. It puts all of our lawyers—obviously there is a close working relationship in terms of our criminal and civil litigation workload between U.S. Attorneys and the litigating divisions. We share cases, we share responsibility for cases, we share investigative oversight with the U.S. Attorneys and the litigating divisions.

As we move cases and case responsibility, we also have to move that with the resources necessary to do that, which means there is a level of movement of lawyers around the country that can be enhanced, we believe, by being able to, say, move them onto U.S. Attorneys' workload rather than maintain a Washington base for them in some instances. It gives us a little more flexibility in terms of moving lawyers to match our resource with our litigation responsibility.

Mr. EARLY. It gives you a lot more flexibility.

Mr. JENSEN. Yes.

COST EFFECTIVENESS OF MERGER

Mr. EARLY. Do you anticipate that merging the U.S. Attorneys with General Legal Activities will be cost effective?

Mr. JENSEN. I think so. What happens now is that in some instances we have a case, for example, that is a part of the responsibility of a litigation division, and the cost of sending lawyers and positioning them outside of Washington is a good deal higher than if we were able to simply position a lawyer in a U.S. Attorneys Office. Some of these cases are long term. By doing that, I think we can save some of our litigation costs, travel costs, per diem costs that I think that we can manage this kind of impact better.

Mr. EARLY. Did the people who put together the merger have a dollar amount of anticipated savings?

Mr. JENSEN. We don't have a specific projection as to a dollar amount we are looking at. We are looking at it more in terms of the notion of management flexibility, which we know is there as an objective kind of possibility, but we don't have a cost breakdown.

Mr. EARLY. Why don't you elaborate for the record where you expect these savings will come from.

[The following information was submitted:]

EFFECTIVENESS OF U.S. ATTORNEYS MERGER

During the summer of 1985, the Attorney General created the Department Resources Board (DRB). Among the expressed goals of the DRB is to establish and institutionalize an integrated magagement system capable of ensuring an appropriate allocation of resources. It was recognized at the outset that such a goal would require both change and a long-term commitment.

The present proposal to consolidate the U.S. Attorneys' budget with that of the General Legal Activities (GLA) is consistent with this long-term commitment. Particularly in these times of fiscal restraint, the Department is obliged to adopt a broad systemic perspective when it comes to such crucial areas as effective law enforcement. By consolidating most of the litigative programs in the Department, we hope to make a significant first step toward an integrated management system, a step that will encourage a view of resource needs unencumbered by parochial concerns for discrete program areas and designed to realize greater flexibility in the deployment of resources to these needs.

A logical analogy can be drawn from the preceding testimony. Three of the four legal divisions seeking additional resources for 1987 (i.e., the Criminal, Tax and Lands and Natural Resources Divisions) are submitting "net requests" following a critical examination of resource needs and identification of offsetting program areas within the division. Thus, in each instance, determinations were made that existing resources could be effectively shifted so as to minimize each division's need for additional resources. This same flexible approach could be applied even more readily if the U.S. Attorneys were part of the GLA appropriation.

MERGER CONCEPTION

Mr. EARLY. Where did the idea for merger of these two accounts generate, did it come from OMB?

Mr. JENSEN. No, it didn't. It came from—the Department Resources Board that I mentioned, Mr. Chairman, that has been put in place within the last year. I chair that Resources Board with our Justice Management Division, and with specific persons who are members of the management team of the Department.

That Board went through all of our budget activities, and as we went through, we looked at it perhaps no more intensely with reference to the notions of the cross-cutting issues that exist within the Department, and we also looked at it in terms of an attempt to give us as much management flexibility as we could, and when we looked at that, we decided that the appropriation accounts was one area we perhaps could review.

For instance, we had the U.S. Marshals Service in a budget account with the U.S. Attorneys, and they really don't have the same missions and responsibilities, and there was an actual impact upon our ability to manage the Marshals Service as the result of that. We moved the Marshals Service into a separate account so that it is in the same kind of management structure as the FBI and DEA and the Immigration and Naturalization Service.

When we looked at that, it looked as though there was an opportunity for us to enhance our management opportunities essentially by doing this. So our Department Resources Board suggested this.

Mr. EARLY. Was there a study conducted prior to this merger by the Department.

Mr. JENSEN. There is no specific study, but for the fact we went through every budget of every component of the Department as a consequence of a series of hearings, and it became clear in those hearings that movement from appropriations accounts would be advantageous to the Department. So we simply made that decision within the Board.

Mr. EARLY. What date did you start considering this type of merger?

Mr. JENSEN. It has been within the last six months, I believe. The activities of the Resources Board were essentially started with the 1987 budget cycle, which would have commenced in the spring of 1985, to go through to look at the presentation of this 1987 budget.

Mr. EARLY. If this gets approved, it will be one of the fastest mergers I have seen.

Mr. JENSEN. If we are able to do it, it shows the ability to move sometimes.

REPROGRAMMING OF LITIGATION FUNDS

Mr. EARLY. It would appear the merging of these two accounts will allow you to reprogram positions and funds between the General Legal Activities and the U.S. Attorneys without real Congressional approval?

Mr. JENSEN. It would not change our present legal status with reference to notification of the reprogramming. We didn't seek any such change. It would give us more flexibility, but not change our obligations in terms of reprogramming that exist now, but for the fact you have a broader pool of resources in terms of the mixture of the accounts. But we don't seek any change in terms of our reprogramming notification kinds of responsibilities.

Mr. EARLY. But it won't be as difficult. In other words, it will be a lot easier.

Mr. JENSEN. That is correct.

Mr. EARLY. Do you know if there are any plans regarding the shifting of people as a result of this merger.

Mr. JENSEN. We don't have anything specifically in mind now in terms of shifting people. Our thought is to give ourselves the opportunity to make such decisions within the reprogramming kind of parameters there. It is not driven by a specific notion we should change a specific lawyer from a litigating division to a U.S. Attorney, for example. It is driven from a management perspective.

ANNUALIZATION OF U.S. ATTORNEY POSITIONS

Mr. EARLY. The conference report to the 1986 appropriations bill included 100 additional positions for 1986 and the annualization of 432 positions that were approved in the fiscal year 1985 supplemental appropriations bill in the U.S. Attorneys accounts to help carry out the increased responsibilities of the Comprehensive Crime Con-

trol Act and Judgeship Act. How much money did you have allotted for the salaries and expenses of those positions?

Mr. JENSEN. There is a specific dollar amount for the hundred positions that you mentioned that was part of the 1986 budget. I don't recall exactly, but I think it was roughly $500 million. The total annualization of the 532 positions was $15 million. The hundred positions, as I recall, was at a figure of roughly $500 million. I could get that specifically for you.

Mr. EARLY. Not $500 million.

Mr. JENSEN. No, $5 million. Excuse me. I wish it was.

Mr. EARLY. So for the two, roughly $20 million?

Mr. JENSEN. That is correct.

Mr. EARLY. Excuse me, I don't think you are overpaid, so——

Mr. JENSEN. I don't either.

ADDITIONAL JUDGESHIPS

Mr. EARLY. Of those 85 additional judgeships, how many have been filled?

Mr. JENSEN. I don't know the exact figure right now. I think it was 57 positions had actually been filled by the last Congress. As I know the figure now, there are only about 15 positions that are vacant that are not on some level of movement, either in terms of having been sent up to Congress from the White House.

[The following information was submitted subsequent to the hearing:]

CLARIFICATION OF JUDGESHIPS FILLED

As of March 21, 1986, 73 of the 85 judgeships had been filled. Of the remainder, all but one has a candidate in the selection process.

HIRING OF ADDITIONAL POSITIONS AUTHORIZED IN 1985

While most of the new positions authorized by the supplemental have been allocated to the field, many of them have yet to be filled. Of the 532 positions authorized in the supplemental, the bulk (380) were funded at a 50% lapse rate, accordingly, full funding will not be available until April. Even now, many districts are exercising great caution so as to avoid overobligating at the end of the fiscal year. As for the 152 Organized Crime Drug Enforcement Task Force (OCDETF) positions for which funding became available in January, only about 40 have been filled to date. It should be noted that, traditionally, these OCDETF positions take somewhat longer to fill given the prerequisites for extensive litigative experience and completion of background investigations. Although we are currently able to provide this breakout for OCDETF positions, we wish to point out that ordinarily we are unable to do so because when new people are hired in the field, we have no mechanism by which we can differentiate between "old" vacancies resulting from attrition versus "new" vacancies created when additional positions are allocated to a district. Our positions are managed on a strict workyear basis.

HIRING OF ADDITIONAL POSITIONS AUTHORIZED

Mr. EARLY. How many of the 532 positions have been filled and are receiving paychecks?

Mr. JENSEN. I don't know that on-board figure now.

Mr. EARLY. Could you supply it for the record.

Mr. JENSEN. Yes.

PAYROLL COSTS

Mr. EARLY. Of that $20 million, also supply for the record at the conclusion of fiscal year 1986 how much would have been expended for salaries.

Mr. JENSEN. All right.

Mr. EARLY. Salaries and expenses. Does Mr. Tyson want to comment on that?

Mr. JENSEN. If he knows those figures, that would be fine. That is a kind of dynamic figure. We have to fix a point. As you said, the end of 1986 would be the point we do that.

Mr. EARLY. If we are going to cut your budget, we have to have that figure.

Mr. TYSON. Of the 532, 100 of those have not been filled because we didn't have funding. We proposed allocations for them but have not put the positions out there. Of the 432 remaining ones, all those have been allocated, and the U.S. Attorneys were given a schedule of ability to fill those positions based upon our prediction of filling the judgeships, and they have been slowly filled during the year.

I could give you the on-board figure for the record. Under Gramm-Rudman-Hollings, we have a deferred hiring policy.

[The following information was submitted:]

PLANNED SALARIES FOR THE 532 NEW U.S. ATTORNEY POSITIONS

Based upon final Congressional action, the U.S. Attorneys had $15.7 million available in 1986 to fund the 532 new positions. This figure is based upon both the 1986 Appropriation Act and funding remaining available from the 1985 Supplemental Appropriation Act. Of this $15.7 million, the Department had planned to allocate $9.7 million to salaries.

POSITIONS FOR DRUG INITIATIVES

Mr. EARLY. I want to see if there is carryover; plus I want to see, if there is carryover and you are able to sequester funds. I want both those numbers, please.

Are there 152 positions for the new drug initiatives included in the 532?

Mr. JENSEN. Yes. They are part of that total number.

Mr. EARLY. It seems everyone is coming in here for drug programs and drug positions. I thought we were centralizing this problem a lot more a few years ago. I am not sure we are getting a true organized accounting. That is such a sensational item; anyone who wants additional money, gets it.

Mr. JENSEN. Those positions have been—they are folded into the accounts within the Department, the U.S. Attorneys account, the FBI, the DEA, the Marshals, that sort of thing. However, they are kept track of separately, and the positions you speak of were addressed from the standpoint of the task forces themselves, and they are allocated on a separate track so that they are allocated in relationship to the workload of the task forces, not directly the U.S. Attorneys. So they are managed in a separate way, although they are included within the total budget figure.

CARRYOVER FUNDS—U.S. ATTORNEYS

Mr. EARLY. I notice, too, that you had a $5.7 million carryover in 1985. How is that being spent?

Mr. JENSEN. In the U.S. Attorneys account?

Mr. EARLY. Yes.

Mr. JENSEN. The $5 7 carryover? I don't know what that is. Perhaps we could work with the staff.

Mr. EARLY. Please provide this information for the record. Was that in the drug initiative category. Let us know exactly how that money was supposed to be spent please, or is being spent.

[The following information was submitted:]

CLARIFICATION OF CARRYOVER FUNDING

The Supplemental Appropriations Act, 1985 (P.L. 99-88) provided $15,103,000 to remain available until September 30, 1986 for the U.S. Attorneys and Marshals appropriation. Of this amount $5,736,000 was unobligated at the end of FY 1985 and remainded available for obligation. The initial appropriation was for the following programs:

[In thousands of dollars]

	U.S. attorneys	U.S. marshals	Total
Additional judgeships	1,176	1,516	2,692
Comprehensive Crime Control Act	1,624	6,622	8,246
Relocation of the D.C. office	2,065	.....	2,065
Drug initiative	2,100	.....	2,100
Total	6,965	8,138	15,103

ADDITIONAL POSITIONS—TAX DIVISION

Mr. EARLY. You are requesting 12 additional positions for Federal appellate—for the Tax Division, in order to absorb the predictable increases in the workload anticipated in 1987. Is that included in the tax amnesty program?

Mr. JENSEN. No, not at all.

Mr. EARLY. Are you looking forward to that?

Mr. JENSEN. I don't know, Mr. Chairman. We will pay attention. It is being discussed, and we will obviously be a part of that discussion at some point.

Mr. EARLY. I think you are going to get it. What do you mean by predictable?

Mr. JENSEN. These are simply based upon levels of activity. We have an increase one can look at in terms of the past activities and as we look at those, we make projections as to—in effect, straight-line projections—as to increased activities in the next upcoming workload. One of the things that has driven our projections is that we have had discussions in some of the circuits, specifically, I think, in the Fifth Circuit. We had discussions with the judges about a need for increased levels of filing and increased activities in specifically appellate tax areas, so some are driven by our own figures, some are driven by the fact we have had specific discussions with the court.

REVENUE GENERATED FROM TAX DIVISION WORK

Mr. EARLY. I have heard for so many years we are going to hire more tax people in your Department. In your opinion would the cost versus what they bring in be tremendously different on the positive side? Do you believe that?

Mr. JENSEN. I believe there is a revenue production that comes about from this. I think also there is a level—there is an exposure thing out there. It is not as great in the tax area, but what we do in the tax area is by taking an aggressive posture vis-a-vis, for example, abusive tax shelters. I think we have a very positive kind of impact in terms of revenue for the government. We protect against loss of the legal kinds of tax shelter activities, and I think that by increasing our resources there, we have had a history that shows a recovery for the government that is very positive.

Mr. EARLY. Will you provide for the record a breakdown similar to the one we asked for before.

Mr. JENSEN. On tax?

Mr. EARLY. Yes, provide the numbers being settled without further proceedings versus not settled in 1984, 1985 and 1986.

Mr. JENSEN. Yes. Some of these would be in terms of injunctive activities.

Mr. EARLY. I primarily want to see if there is an increased incidence of where we are not getting away from the routine bit of doing it without the popularity.

You are requesting six additional positions for the defense procurement fraud on page 71 of your justification. That unit has indicted 38 defendants and 24 cases through the first six months of 1985. How many additional investigations will be possible if we approve these six new positions?

Mr. JENSEN. I can't quantify that, but the unit is not just set up to be a direct investigative prosecutive unit. It is a synergistic kind of activity to engage in training for investigators and lawyers and to influence the filing of such cases across the board by our U.S. Attorneys, and to provide a level of expertise and commitment to this area that didn't exist before.

So one of the measurements is in reference to the specific cases and filings, another measurement is a little more difficult to get to, and that is increasing our level of expertise and skill in this area and increasing our ability to, in effect, support and energize U.S. Attorneys' activities.

DANGEROUS DRUG PROSECUTIONS

Mr. EARLY. I realize that if may be difficult for you to identify the exact number of additional cases that you will be able to handle. You are requesting four additional positions for the Dangerous Drug Prosecution Unit. On page 74, you state, "DEA has informed the Division that some of its cases are on a back burner because of insufficient prosecutorial help in the field."

How serious a problem is this? Are prosecutors declining cases, or are investigators holding them because they——

Mr. JENSEN. It is not declining cases as much as the time line of cases and investigations. As you know, an investigation is a kind of continuum where activities take place in terms of identifying by

way of interviews or by way of analysis of the investigative opportunities.

Then one moves to, for example, electronic surveillance, or we might move into grand jury hearings. We might be moving into decisions with reference to necessary immunity. We might be moving in sequential prosecution. What happens here, what we are saying is some of these get slowed down.

Mr. EARLY. The justification says that the DEA says cases are backlogged because of insufficient prosecutorial help in the field. My question to you is: How serious of a problem is that?

Mr. JENSEN. It is a serious enough problem for us to seek some new resources. I don't think it is a problem that is of really critical dimension. This will enable us to do a better job in an area where there is an absolute surfeit of cases. There is no lack of investigative oportunities out there. This is simply getting as many people in place to do those as we can.

Mr. EARLY. So DEA is going to be able to point a finger at you and say case "X" wasn't held because they didn't have sufficient prosecutorial help?

Mr. JENSEN. It wasn't as specific as that. Generally what happens is we may have an investigative opportunity that we could move this month, but we will have to move next month.

CLAIMS AGAINST THE UNITED STATES

Mr. EARLY. In the Civil Division, you are requesting 14 new positions from the justification to combat what you characterize as a major threat to the Treasury; claims against the United States, which in your statement you have a startling number. How many of your current staff are allocated to litigating claims against the United States versus litigating claims to recover suggest money?

Mr. JENSEN. The great bulk of the Civil Division assignments are in defensive litigation. There is a specific breakdown of those numbers I would be happy to give you.

Mr. EARLY. Please provide them for the record.

Mr. JENSEN. In terms of the general statement that is there, most of the lawyers are assigned to defensive litigation.

Mr. EARLY. Please provide the breakdown.

Mr. JENSEN. Yes.

[The following information was submitted:]

DEFENSIVE LITIGATION—WORKLOAD

Currently, the Civil Division has 708 positions (436 attorney, 39 paralegal and 233 support) assigned to its 6 litigating areas. To handle the demands of a largely defensive caseload, the Division dedicates 78 percent of its time of 551 positions to this necessary litigation. These defensive cases include tort claims against the Government, appeals of personnel decisions and contract claims arising from the commercial undertakings of the Government, challenges to the integrity and enforcement of Federal programs and initiatives, and challenges to the nation's immigration and naturalization laws.

The remaining 22 percent of the staff or 157 positions are assigned to initiate affirmative litigation. Such cases include suits to recover money fraudulently diverted from the Treasury and to collect loans or debts owed to the Government, tort suits to recover damages incurred by the Government, litigation to enforce Federal policies and programs, and criminal and civil suits to enforce Federal consumer protection statutes.

COMMERCIAL LITIGATION

Mr. EARLY. You are requesting over $2.5 million to fund 58 new positions in the Commercial Litigation Branch. You state the additional resources will allow the Branch to file suit in more civil fraud referrals, particularly in the area of defense procurement fraud.

How many additional suits do you suggest will be possible, how much money do you suspect will be collected, or do you have any idea? What is your best estimate?

Mr. JENSEN. I can give you our latest figures. There has been some level of experience that might enable us to be of some assistance. Let me see if I could give you some figures.

Mr. EARLY. Provide those for the record what your best estimate is and tell us briefly how you arrives at that estimate.

[The following information was submitted:]

ADDITIONAL SUITS—CIVIL FRAUD REFERRALS

The Commercial Litigation Branch requests 8 new positions (5 attorney and 3 support) in 1987 to litigate civil fraud cases. This increase will enable Division fraud attorneys to initiate 375 new cases. This level represents an increase of approximately 75 more cases than could be handled by existing staff. In 1987, Division attorneys will seek to recover nearly $100 million. For cases disposed during that period, an estimated $65 million will be recovered for the Government through judgment or settlement.

Of the total 375 new cases in 1987, about 80 will be Department of Defense procurement fraud cases resulting from Defense Procurement Fraud Unit and the Defense Contract Audit Agency referrals. This projection represents twice the number of cases handled in 1985. In 1987, new DOD related fraud litigation is projected to involve $64 million while recoveries in that year from previously initiated cases are expected to exceed $24 million.

The remaining 50 positions will be used to personally handle litigation brought against Federal agencies in the Claims Court and the Court of Appeals for the Federal Circuit. In addition, these resources will allow the Division to protect the creditor rights of the Government in the increasing number of complex Chapter 11 bankruptcy cases.

DEFENSIVE ENVIRONMENT LITIGATION

Mr. EARLY. On page 151 of the justifications, you are requesting an increase of 11 positions for defensive and environmental litigation. Can you briefly summarize what the anticipated increased workload will be as a result of the 19 RCRA amendment?

Mr. JENSEN. Yes. As I said, that is also an area where I think we could provide the same kind of information. And there is, once again, in this area some level of experience that might be of use to the committee.

[The following information was submitted:]

1984 RCRA AMENDMENT WORKLOAD DATA

Approximately 140 new cases are expected as a direct result of the 1984 Resource Conservation and Recovery Act (RCRA) amendments: 60 cases in 1986 and 80 in 1987. In 1986, the cases will focus on suits to force the Environmental Protection Agency (EPA) to issue regulations on court-ordered deadlines, and petitions for review of the rules EPA has issued. In 1987, the lawsuits are expected to include challenges to (a) EPA's listing of used oil as a RCRA hazardous waste; (b) EPA's new small-quantity generator rules; (c) EPA's rules banning land disposal of certain hazardous wastes; (d) EPA's rules governing underground tanks used to store hazardous waste; (e) EPA's new toxicity characteristic test, which will include many new industrial wastes in the definition of hazardous wastes; (f) EPA's rules governing air

emissions from hazardous waste facilities; (g) EPA's new rules for exports of hazardous wastes to other countries; and (h) EPA's permit decisions and closure plan decisions for individual RCRA facilities around the country. In addition, we will see "deadline suits" related to the many studies and reports that EPA must perform under the 1984 amendments to RCRA.

The increase of 11 positions requested for defensive environmental litigation also will be used in a growing number of highly complex "federal facilities" cases, in which agencies of the United States Government are charged with violation of the environmental statutes. These cases present multi-billion dollar exposure, and demand extraordinary commitments of time to research scientific and factual issues dating back several decades.

VOTING RIGHTS ACTS

Mr. EARLY. Fine. Under civil rights, in July, 1984, GAO reports showed that processing the vast majority of submissions under section 5 of the Voting Rights Act takes the entire statutory allowed time. What steps have been taken to streamline the processing procedures so that less time is used?

Mr. JENSEN. In terms of the management attention to that, there is attention within the Civil Rights Division, and also there is an overlap with the Criminal Division in terms of their responsibilities in this area. We have an area within the Public Integrity Section of the Criminal Division assigned to election issues, and we have developed some level of expertise there to be of assistance in these kinds of areas.

So that I think what we would say is that in terms of addressing this as far as the need for productivity, I think we have attempted to give a higher level of management attention to it within those divisions. I don't know that I can give you, once again, a specific result of that.

Mr. EARLY. Show us how you streamline this.

Mr. JENSEN. We can give you a description of the way in which we have done some management initiatives.

[The following information was submitted:]

SECTION 5 SUBMISSION—VOTING RIGHTS ACT

For 1987, the Department has requested $10 million for automation. The Civil Rights Division will receive a portion of those funds if they are approved.

One of the Division's highest priorities, with respect to additional funding received for automation, is to streamline the handling of submissions received under Section 5 of the Voting Rights Act. Several steps of the Section 5 program are currently being performed manually. If the funds for the automation initiative are approved, the Division will be able to develop and implement systems which will automate a substantial portion of the Section 5 activities. The introduction of these systems would certainly result in a more efficient and cost-effective program. In addition, submissions would be processed in a more timely manner.

LEGAL OFFICE AUTOMATION

Mr. EARLY. Do you have a long range plan on the total amount for the Legal Office Automation of the Department?

Mr. JENSEN. That is what the $10 million is for, very specifically, the long-range plan that now exists is one that has been put in place in the recent past with reference to the areas of information processing within the litigating divisions and the U.S. Attorney's offices, and also development of an essentially uniformed central system for the Attorney General.

Mr. EARLY. Is there an ongoing plan on paper that provides the number of years and the annual amount?

Mr. JENSEN. There is a plan on paper that is essentially a developmental plan, and I would be very happy to provide the material that we have put in place now, and to give you not only that, but a description of our anticipated process. Frankly, we think that what we are doing in this area is terribly important for the Department, and it is a new dimension, which we simply have not paid sufficient attention to a uniform development of our lawyer-support activities in terms of information, not only from the standpoint of individual lawyers, but from the standpoint of management information for the divisions.

We have, for example, decided that our initial model for information processing would be to use the AMICUS system developed by our Civil Division, which is a very sophisticated system, and that is going to be used by us as a model to drive the information kind of processing in the other divisions.

We also have a plan to, in effect, require uniform program elements or data elements across the Department so that we can build a data base for the Department that does not exist at the moment, and what we have in mind here, I think, is a very, very good story, Mr. Chairman, and we would be happy to tell it to you.

CASE MANAGEMENT SYSTEM

Mr. EARLY. You mentioned that GAO's report on the management of the Justice Department criticized your efforts to develop a part of the case management system because the Department has not solved long-standing problems of incompatible definitions for case management terms, incomplete data and inconsistent reporting among the legal divisions. How have you addressed these problems, as you are planning to implement this automation plan?

Mr. JENSEN. That is what I am talking about. That assessment is one we might not share in all of its dimensions, but we will share in terms of the concept involved. We have put in place a steering committee that, once again, I chair with representation from each of our litigating divisions and also with a working group and project manager that has been brought on board now to address very specifically the issue of a uniform development process. We will take advantage of the uneven progress that existed before, where the Civil Division had reached higher levels of sophistication in their management of information, and we will use that as a model to be sure we reach higher levels in other areas.

The U.S. Attorneys have been at the same time developing the so-called PROMIS system, and we are now looking at that to make sure that it is compatible with the development in the litigative divisions. That has been going on in a separate track. We brought those together with the Department, so it is now being managed in a central fashion rather than what we might call a fragmented fashion.

Mr. EARLY. It seems that any time you bring anything together, it is more difficult to trace and find out where the inefficiencies are. Then, we get the standard answer, "Oh, that is when it was over in that division."

Mr. JENSEN. I think that is correct. We don't want to get trapped into the notion that the way to solve your problem is by having a single uniform mandated kind of structure. The fact is we have got divisions with different responsibilities, very, very different litigation kinds of needs. What we need, for example, in terms of prosecuting espionage cases, is not the same as what we need in terms of defensive litigation of contract fraud. These are different things. As we build these systems, we want to make sure that we are providing the kind of support for the division, itself, but also extract from them common data, so we will know from the Department's standpoint what is going on across the board.

So our real process here is to bring people together, to talk together about a level of autonomous development, but make sure that there is a core development to the Department across the board.

Mr. EARLY. Do you need that much money to talk together?

Mr. JENSEN. I don't think so. I think this is cost effective.

Mr. EARLY. Mr. Jensen, thank you for your testimony today.

FRIDAY, MARCH 7, 1986.

SALARIES AND EXPENSES, OVERSIGHT OF BANKRUPTCY CASES

WITNESSES

THOMAS J. STANTON, DIRECTOR AND COUNSEL, EXECUTIVE OFFICE FOR U.S. TRUSTEES

HUGH M. LEONARD, U.S. TRUSTEE, NEW JERSEY AND DELAWARE AND CHAIRMAN, ADVISORY COMMITTEE

Mr. EARLY [presiding]. The next item we shall consider is the fiscal year 1987 budget request for Salaries and Expenses, Oversight of Bankruptcy Cases. The request for fiscal year 1987 is for $11,663,000. This amount is an increase of $1,904,000 above the appropriation provided for this activity for fiscal year 1986 adjusted for sequestration under Public Law 99–177.

We shall insert the justification material submitted in support of this request in the record at this point.

[The justification materials follow:]

Department of Justice

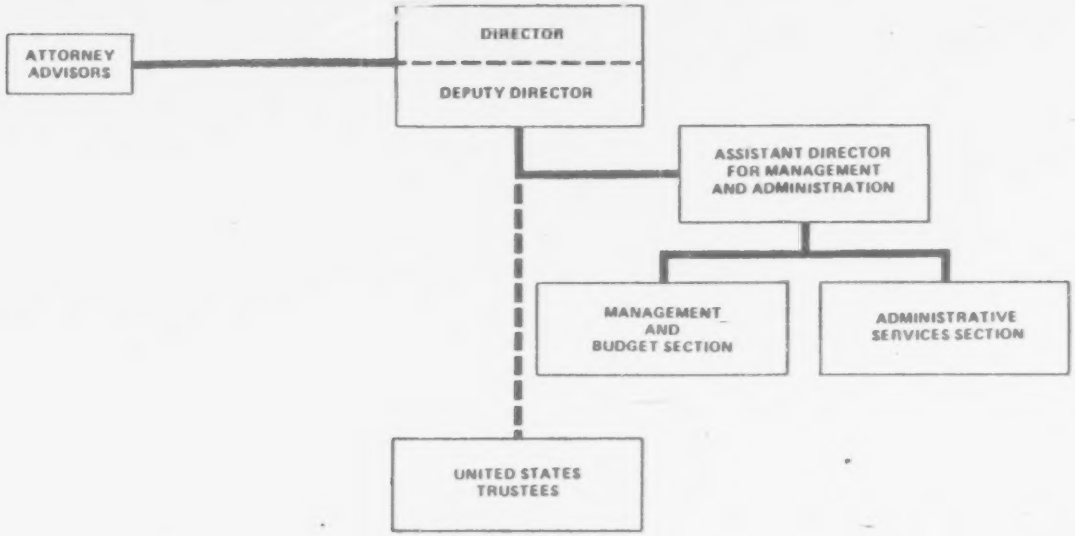
Salaries and expenses, Oversight of Bankruptcy Cases

Estimates for Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Level Material	
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Justification of Program and Performance	8
Financial Analysis - Program Changes	16
Priority Ranking	17
Summary of Permanent Positions by Category	18
Summary of Adjustments to Base	19
Justification of Adjustments to Base	20
Summary of Requirements by Grade and Object Class	25
Consulting and Related Services	28

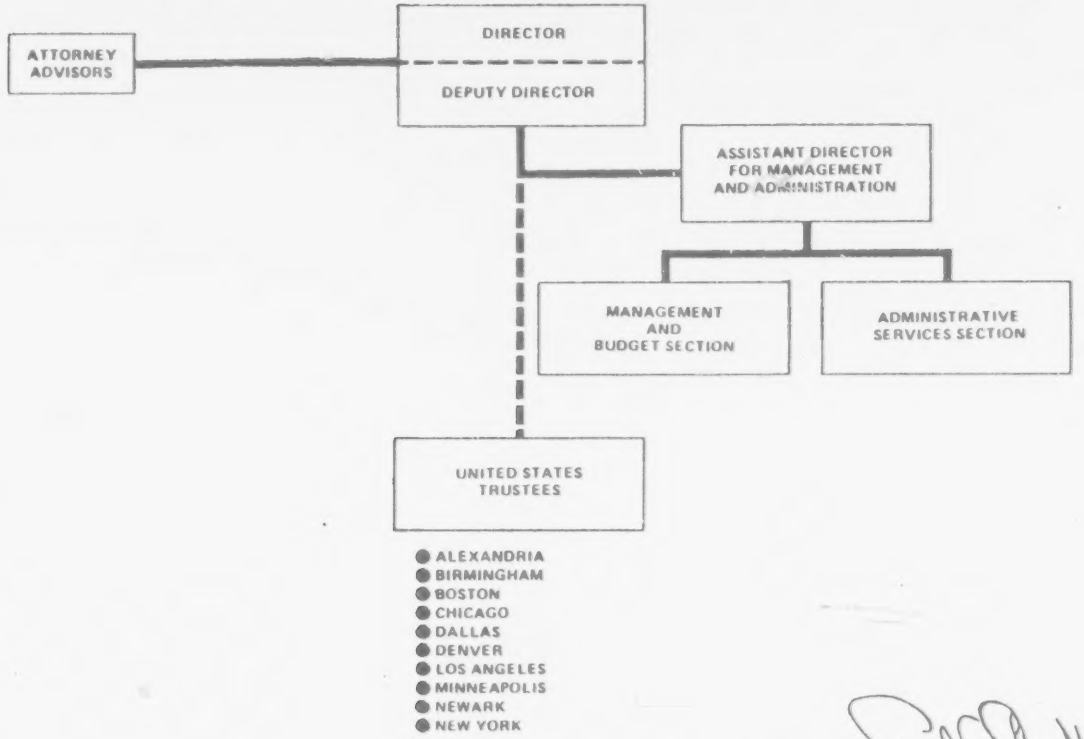
UNITED STATES TRUSTEES



Approved: _____
Edward C. Schmults
Deputy Attorney General

Date: 2 JUN 1981

UNITED STATES TRUSTEES



Approved: _____
Edward C. Schmults
Deputy Attorney General

Date: 2 JUN 1981

Legal Activities

Salaries and expenses, Oversight of bankruptcy cases

Summary Statement

Fiscal Year 1987

The 1987 budget request for the Oversight of Bankruptcy Cases is 193 positions, 181 full-time equivalent (FTE) workyears and $11,663,000. Beginning in 1987, this appropriation reflects only the activities of the U.S. Trustees. In addition to uncontrol increases of $1,807,000, savings from management initiatives of $486,000 and non-policy decreases of $34,000, the request includes a net program change of 14 positions, 4 FTE workyears and $178,000. The proposed personnel increase represents an effort to prepare for nationwide expansion by streamlining the existing pilot program and by extending the jurisdiction of the existing program to include two pilot U.S. Trustee locations in the Sixth Circuit. This is the only circuit excluded from the pilot program established by the Bankruptcy Reform Act of 1978. Since then, this circuit has had problems adjusting to the new system of bankruptcy case administration. The 1987 request for the U.S. Trustees activity reflects the Administrat decision to seek eventual nationwide expansion and to retain the program within the Department of Justice, rather than transfer its functions to the judiciary.

Administration of Cases

The Administration of Cases program involves the oversight of bankruptcy cases filed in 18 federal judicial districts as specified by the Bankruptcy Reform Act of 1978. The districts will be served by 10 U.S. Trustees and a total of 18 field office or sub-office locations in 1986. Consistent with Administration initiatives to increase productivity and to improve management of federal programs, four sub-offices are proposed for consolidation into existing larger offices in 1987. Offices scheduled to close are located in Portland, Maine; Camden, New Jersey; and Lubbock, Texas. An office scheduled to open in 1986 in San Bernardino, California, will not be opened. Also, two new U.S. Trustee offices are proposed to open in 1987, one in Detroit and one in Cleveland.

The Department has developed a legislative proposal to expand the program nationwide. By opening two new offices within the pilot program in 1987, a U.S. Trustee presence will be established within each of the 11 federal circuits before expansion to all 94 federal districts. Included in the nationwide expansion bill are provisions to increase filing fees and to impose new charges in bankruptcy cases to permit the Government to recover a higher proportion of the program's costs. Prior to expansion, the 1987 cost of the additional Sixth Circuit offices will be offset partially by management improvement savings (including office consolidation and reduced levels of reimbursement agreements) and from abolishment of the Office of Associate Counsel at the end of 1986.

The U.S. Trustees will continue to place major emphasis on performing its Congressional mandate to "serve as bankruptcy watchdogs to prevent fraud, dishonesty, and overreaching in the bankruptcy arena" (See H.R. Rept. No. 595, 1977, page 88). In addition to aggressive monitoring of fees charged by bankruptcy practitioners, the U.S. Trustees will maintain their highly effective procedures for referring criminal matters to the U.S. Attorneys and providing them with information needed for effective case prosecution. One hundred fifty-three matters were referred in 1984 to the U.S. Attorneys, encompassing not only bankruptcy fraud but a spectrum of white collar crimes. Referrals are also made to state and local law enforcement and regulatory agencies as appropriate.

Another major program focus is to guard against tax losses during bankruptcy proceedings. In 1987, the U.S. Trustees will continue to work closely with the Internal Revenue Service (IRS) to monitor debtors' prompt payments of withholding, social security and unemployment taxes to the U.S. Treasury. Financially strapped businesses often use taxes withheld from employees for their own working capital needs, rather than remit them to the IRS. This represents a significant loss of revenue to the federal government. In the pilot districts, the U.S Trustees vigorously monitor financial reports and tax payment receipts to ensure that such accumulation of new tax liabilities does not occur.

Management and Administration

The Management and Administration program concerns the centralized legal, policy and administrative support for the bankruptcy case administration program. A management and productivity improvement is proposed for 1987, reducing reimbursements to the Justice Management Division for fiscal activities.

Appropriation Structure Change

The 1987 request proposes a new and separate appropriation, Salaries and expenses, Oversight of Bankruptcy Cases, to fund the necessary expenses of the U.S. Trustees. In 1986, the U.S. Attorneys and U.S. Trustees are funded in a single consolidated appropriation. For 1987, the U.S. Attorneys activity is proposed for transfer to the General Legal Activities appropriation. In 1986, Congress established the U.S. Marshals as a separate appropriation. For tracking purposes, 1985 data reflect the activities of the U.S. Attorneys, the U.S. Marshals, and the U.S. Trustees; 1986 data reflect the U.S. Attorneys and Trustees; and 1987 data reflect the U.S. Trustees alone. The detailed justification for the U.S. Attorneys activity in 1987 is included under the General Legal Activities appropriation.

Legal Activities
Salaries and expenses, Oversight of bankruptcy cases
Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Oversight of bankruptcy cases

For necessary expenses of the [Offices of the United States Attorneys and] bankruptcy trustees, [$332,000,000] $11,663,000
(12 U.S.C. 1904b; Department of Justice Appropriation Act, 1986; additional authorizing legislation to be proposed.)

These changes establish a separate appropriation amount for the United States Trustees.

Legal Activities

Salaries and expenses, U.S. Attorneys and Trustees

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered				
										4.3%	Reprogrammings			Revised
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Reduction	Pos.	WY	Amount	Amount
1. U.S. Attorneys														
a. Criminal Litigation	3,326	3,239	$194,204	-190	-321	-$21,625	3,136	2,918	$172,579	-$7,421	...	...	...	$165,158
b. Civil Litigation	2,005	1,960	107,520	...	-54	-1,607	2,005	1,906	105,913	-4,554	...	...	...	101,359
c. Legal Education	25	24	2,715	...	...	-6	25	24	24,948	-1,073	...	...	...	23,875
d. Organized Crime Drug Enforcement	367	350	21,108	152	114	3,840	519	464	2,709	-116	...	...	...	2,593
e. Management and Administration	128	166	15,822	10	5	-169	138	171	15,653	-673	...	...	...	14,980
Subtotal	5,851	5,739	341,369	-28	-256	-19,567	5,823	5,483	321,802	-13,837	...	...	...	307,965
2. U.S. Trustees														
a. Administration of Cases	...	...	195	159	155	8,295	159	155	8,490	-366	...	...	...	8,124
b. Management and Administration	...	...	29	20	19	1,679	20	19	1,708	-73	...	...	...	1,635
Subtotal	...	...	224	179	174	9,974	179	174	10,198	-439	...	...	...	9,759
3. U.S. Marshals*														
a. Witness Security	262	240	19,420	-262	-240	-19,420	...	...	...	...	...	...	...	...
b. Fugitive Investigations and Court Orders	684	760	41,694	-684	-760	-41,694	...	...	...	...	...	...	...	...
c. Judicial Security	378	385	21,878	-378	-385	-21,878	...	...	...	...	...	...	...	...
d. Handling of Federal Prisoners	945	984	45,285	-945	-984	45,285	...	...	...	...	...	...	...	...
e. Organized Crime Drug Enforcement	13	13	704	-13	-13	-704	...	...	...	...	...	...	...	...
f. Management and Administration	297	292	18,629	-297	-292	-18,629	...	...	...	...	...	...	...	...
Subtotal	2,579	2,674	147,610	-2,579	-2,674	-147,610	...	...	...	...	...	...	...	...
Total	8,430	8,413	498,203	2,428	-2,756	-157,203	6,002	5,657	332,000	-14,276	...	...	...	317,724

*The U.S. Marshal Service is being funded from a separate appropriation beginning in 1986

Legal Activities

Salaries and expenses, Oversight of bankruptcy cases

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Enacted		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
U.S. attorneys	5,851	5,739	$341,369	-28	-256	-$19,567	...	...	...	5,823	5,483	$321,802
Bankruptcy matters	...	...	224	179	174	9,974	...	...	...	179	174	10,198
U.S. marshals	2,579	2,674	147,610	-2,579	-2,674	-147,610	...	...	...	...	...	...
Total	8,430	8,413	489,203	-2,428	-2,756	-157,203	...	...	...	6,002	5,657	332,000

Explanation of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

While the President's budget request included the U.S. Attorneys, U.S. Trustees and U.S. Marshals under one appropriation in 1986, Congress established the U.S. Marshals Service as a separate appropriation.

The Congressional action for the U.S. Attorneys program deleted 180 positions and the related costs to support new federal judgeships. Secondly, the Congressional action included the addition by the Congress of 152 positions and partial year funding associated with the Drug Initiative. Lastly, the Congressional action allowed only $275,000 of the $451,000 request for the relocation of the Executive Office for U.S. Attorneys, and 80 percent of the funds ($5.960 million) associated with the 1986 amendment for pay restoration.

The U.S Trustees were not included in the President's initial request, but the Congressional action reflects restoration of the program at an enhanced level in 1986.

Legal Activities

Salaries and expenses, Oversight of bankruptcy cases

Summary of Requirements
(Dollars in thousands)

Adjustment to base:	Perm. Pos.	Total FTE	Amount
1986 as enacted	6,002	5,657	$332,000
Savings resulting from management initiatives	...	...	-486
Uncontrollable increases	...	231	30,321
Decreases (automatic non-policy)	...	...	-721
Adjustment to permit staffing of additional permanent staffing	10	...	...
Transfer of U.S. Attorneys activity to General Legal Activities appropriation	-5,833	-5,711	-349,629
1987 base	179	177	11,485

Estimates by budget activity	1985 Actual Perm. Pos.	1985 Actual WY	1985 Actual Amount	1986 as Enacted Perm. Pos.	1986 as Enacted WY	1986 as Enacted Amount	1987 Base Perm. Pos.	1987 Base WY	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate WY	1987 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
1. U.S. attorneys	5,723	5,124	$300,237	5,823	5,483	$321,802	...	...	...	...	193	...	...	...	...
2. U.S. Trustees	167	179	9,393	179	174	10,198	179	177	$11,485	193	181	$11,663	14	4	$178
3. U.S. marshals	2,579	2,359	139,708	...	...	...	...	...	...	...	...	...	...	...	...
Total	8,469	7,662	449,338	6,002	5,657	332,000	179	177	11,485	193	181	11,663	14	4	178
Reimbursable Workyears		54			...			...			...			...	
Total FTE ceiling		7,716			5,657			177			181			...	
Other Workyears:															
Holiday & overtime		52			34			1			1			...	
Total compensable workyears		8,248			5,691			178			182			...	

Legal Activities

Oversight of bankruptcy cases

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Bankruptcy Matters	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Administration of cases.....	159	155	$8,490	159	158	$9,780	173	162	$9,958	14	4	$178
Management and administration.....	20	19	1,708	20	19	1,705	20	19	1,705	...	...	...
Total.....	179	174	10,198	179	177	11,485	193	181	11,663	14	4	178

This budget activity includes all of the resources for the United States Trustee program. Funds requested for this activity support personnel involved at headquarters and in the field offices in the administration of bankruptcy cases in pilot U.S. Trustee districts.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Administration of cases.....	159	155	$8,490	159	158	$9,780	173	162	$9,958	14	4	$178

Long-Range Goal. To assure the effective administration of bankruptcy cases, with the maximum confidence of creditors, debtors and the courts. Also, to permit judges to focus on legal matters in the cases before them, by removing judges from case administration.

Major Objectives. In creating the U.S. Trustee system, the Congress cited the necessity for separating administrative and adjudicative functions "to afford bankruptcy litigants the fair and impartial justice to which all other litigants in the federal courts are entitled." 1/ Within this broad responsibility the objectives of the U.S. Trustees are:

To supervise the performance of Chapter 11 debtors-in-possession (or trustees and examiners) to preserve the going-concern value of the business, prevent administrative insolvencies and guard against tax losses to the Treasury.

To maximize assets of estates and distributions to creditors.

1/ H.R. Rep. No. 595, 95th Cong., 1st Sess. 91 (1977)

To monitor the costs of estate administration (primarily fees).

To recruit, select, train and maintain panels of qualified individuals to serve as private trustees in Chapter 7 cases.

To supervise the administration of Chapter 13 cases by standing trustees and, if possible, reduce the costs thereof.

To encourage creditor participation in bankruptcy cases.

To ensure that parties in a bankruptcy case act in conformance with the law, and that fraud, dishonesty, and overreaching in the bankruptcy arena are prevented.

To assign cases to panel members on a fair and impartial basis and supervise their performance.

Base Program Description. The Bankruptcy Reform Act of 1978 (the "Act") established the U.S. Trustee pilot program in 18 federal judicial districts to address the problem of administering bankruptcy cases. Prior to enactment of the Act, bankruptcy judges were required both to adjudicate legal issues and to supervise the administration of bankruptcy cases. Since judges were required to appoint and supervise the trustees and other professionals in carrying out their administrative functions, they often developed close relationships with members of the bankruptcy bar, who would then appear before them in court. They were also privy to ex parte information gathered in the performance of their administrative duties. The appearance of conflicts of interest and perceptions of lack of judicial propriety arose out of the bankruptcy judges' dual role in handling cases. A major objective of the Act was the separation of judicial and administrative functions; the latter were placed under a newly created position, the U.S. Trustee, in designated federal judicial districts. U.S. Trustees function under the general supervision of the Attorney General through the Executive Office for U.S. Trustees.

The "Administration of Cases" program consists of persons located in ten field offices headed by U.S. Trustees and a smaller number of sub-offices. These offices are responsible for supervising the administration of cases filed under Chapters 7, 11 and 13 of Title 1 of the Act. The U.S. Trustee offices are located in Boston; New York City; Newark, New Jersey; Alexandria, Virginia; Birmingham, Alabama; Dallas; Chicago; Minneapolis; Los Angeles; and Denver.

Chapter 7 liquidation cases are actually administered by private trustees. The appointments to individual cases are made by the U.S. Trustees from a panel of qualified trustees. Under Chapter 7, the trustee liquidates the nonexempt assets of the debtor and distributes the proceeds to creditors. The individual debtor then receives from the court a discharge of his or her unsecured debts and a financial "fresh start."

Under Chapter 11 business reorganization cases, the debtor usually continues to operate the business. However, the court may order appointment of a trustee where a need exists for an outsider to run the business. During this time, efforts are made to develop a reorganization plan, which may totally restructure the debtor's balance sheet. If a plan is confirmed by the court, Chapter 11 provides a framework for the eventual rehabilitation of the business.

One of the most significant accomplishments of the pilot program has been the U.S. Trustees' substantive monitoring of the financial condition of debtors-in-possession during the pendency of Chapter 11 proceedings. This close scrutiny often reveals mismanagement or dishonesty by the principals of an ongoing business concern, which, in turn, causes the U.S. Trustee to seek the appointment of an examiner or a trustee in the case. If the company cannot operate profitably, and there is little likelihood of a turnaround, action is taken to convert the case to a Chapter 7 liquidation proceeding.

Chapter 13 cases are administered by standing trustees appointed to serve in a particular geographical area. Under Chapter 13, individual debtors with a regular source of income can propose to pay all or some part of their debts over a period of time through a court-approved repayment plan. The standing trustee collects the funds and disburses them to creditors. The principal role of the U.S. Trustees in these cases is to appoint and supervise the standing trustees, ensuring that there are adequate managerial and financial controls over their operations. Policy guidance is also provided on overall case administration.

In non-pilot districts, a vacuum has been created by the removal of the judge from case administration matters. In an effort partially to fill this gap, most clerks' offices have hired one or two deputy clerks for estate administration duties. However, the deputy clerks do not have the staff to monitor cases on an intensive basis, and lack the standing to take necessary remedial action in court if cases are not moving or are not proceeding in accordance with bankruptcy law provisions.

The U.S. Trustees have always put major emphasis on performing their congressional mandate to "serve as bankruptcy watchdogs to prevent fraud, dishonesty, and overreaching in the bankruptcy arena." In addition to aggressive monitoring of fees charged by bankruptcy practitioners, the U.S. Trustees will continue their highly effective procedures for referring criminal matters to the U.S. Attorneys and providing them with information needed for effective case prosecution. The U.S. Trustees will also continue to work closely with other government agencies such as the Internal Revenue Service to assist in the realization of post-petition tax payments, and with state and local regulatory agencies on matters such as consumer fraud.

Principal statutory authority for the U.S. Trustees is contained in 28 U.S.C. § 581 - 589. The substantive bankruptcy provisions are in Title I of the Bankruptcy Reform Act of 1978, Public Law No. 95-598, 92 Stat. 2549, codified as Title 11 United States Code. Chapter 15 of the Code further describes the responsibilities of the U.S. Trustees.

Accomplishments and Workload: The table below summarizes the bankruptcy cases under chapter 7, 11, and 13 of the Bankruptcy Code administered by the U.S. Trustees in pilot districts.

	1984	1985	1986	1987
1. Cases Administered under Chapter 7:				
a. Active, start of year	50,206	66,054	74,134	80,134
b. Filed	65,817	72,149	72,000	72,000
c. Inactivated	49,969	64,069	66,000	66,000
d. Active, end-of-year	66,054	74,134	80,134	86,134
2. Cases Administered under Chapter 11:				
a. Active, start of year	8,060	9,035	10,351	11,651
b. Filed	5,658	6,556	6,600	6,600
c. Inactivated	4,683	5,240	5,300	5,300
d. Active, end-of-year	9,035	10,351	11,651	12,951
3. Cases Filed under Chapter 13:	30,363	29,855	30,000	30,000

59-584 O—86—31

The data presented above show the substantial increase in Chapter 7 and Chapter 11 bankruptcy cases filed and the steady increase in the backlog of all active caseloads handled by U.S. Trustee pilot districts. The active caseloads are considered to be the best measure of the work handled by each office, because work is performed on the cases in an active status. If increased 1987 funding is approved, the program's caseload will increase in 1988 to reflect the addition of two new judicial districts and two new U.S. Trustee offices. These jurisdictions and offices are the Eastern District of Michigan (Detroit) and the Northern District of Ohio (Cleveland). In 1985, the total case filings in these districts under Chapter 7, 11 and 13 were 5,782 (E.D. Mich.) and 9,578 (N.D. Ohio). The proposed legislation to extend the pilot program into the Sixth Circuit contemplates having the U.S. Trustee staff on-board late in FY 1987 for responsibility to supervise new cases filed after October 1, 1987.

Chapter 11 business reorganization cases are the most complex and time consuming in the program and use the greatest percentage of staff resources. Since most of the Chapter 11 work requires legal or financial analysis skills, staff resources devoted to Chapter 11 cases are primarily professional rather than clerical. The professional staff role in Chapter 7 cases is less time consuming and involves primarily the supervision of the appointed panel trustees and the monitoring of attorney fees and other costs of estate administration. The routine administrative aspects of Chapter 7 cases are handled by paralegals.

The growing active caseload confronting the program has required productivity improvements in the relatively constant professional staff resources available to handle a steadily increasing backlog of active Chapter 11 cases. From 1981 to 1983, with no increase in total program staff, the number of Chapter 11 cases filed grew 150 percent, while the number of active cases for the same period increased more than 200 percent. Even with recent improvements in the overall economy, Chapter 11 business filings remain at a high level. If case filings do drop eventually, workloads of the U.S. Trustee offices will continue to be substantial because the average Chapter 11 case is active for 18 months from the initial filing to plan confirmation. The program has attempted to maintain effective oversight of these cases through productivity improvements and through use of paralegals for the more routine monitoring functions; however, the volume of new filings has created a yearly increase in the backlog of active cases.

Abt Associates of Cambridge, Massachusetts, a private research firm, performed a 15-month evaluation of the U.S. Trustee program for the Department of Justice, which was reported in April 1983 and updated in August 1985. Both studies compared case administration in the U.S. Trustee pilot districts with that in the non-pilot districts. In both the original study and the update, evaluators found that case administration was significantly more effective in the pilot districts. They concluded that the program has been successful in achieving the goals set for it by Congress. They also recommended expansion of the pilot program to all federal judicial districts.

The differences between pilot and non-pilot districts were particularly pronounced with respect to Chapter 11 business cases -- the most important cases in terms of size and complexity and impact on jobs, taxes and the economy. The evaluators found that the pilot districts had almost double the percentage of confirmed reorganization plans as the non-pilot districts. This is a measure of how successful the rehabilitation efforts were in ensuring that economically viable business enterprises "get back on their feet." The evaluators also found that the non-pilot districts had about two and one-half times the percent of Chapter 11 cases where no action was taken, compared with the U.S. Trustees pilot districts. This indicates how closely the cases were being monitored. In 1985, U.S. Trustees filed 3,599 motions to convert or dismiss Chapter 11 cases which showed no likelihood of a successful reorganization. During that same period, 405 motions for trustees and examiners were filed or joined by the U.S. Trustees in cases where there was gross mismanagement or fraud and dishonesty on the part of the debtor.

The Abt Associates evaluators also found that U.S. Trustees were more diligent about meeting with debtors immediately after the Chapter 11 filing to gather facts about the cases and to take action where needed. U.S. Trustees were more successful in securing the timely appointment

of creditor committees. In 1985, they appointed over 2,100 committees, a result of having made 4,800 phone calls and sending over 72,000 letters soliciting membership. Abt Associates also reported that U.S. Trustees were successfully filling the void in those cases which had no active creditor committees, were more aggressive in pursuing and reviewing debtor financial reports and operating statements and were making motions before the courts for remedial action when necessary. U.S. Trustees were found to be reviewing disclosure statements thoroughly and that disclosure statements fulfilled their role of fully informing creditors on the provisions of the Chapter 11 plan. In most non-pilot districts, there is no substantive review of disclosure statements by the clerks' offices.

In the Chapter 7 area, the Abt Associates evaluators found that more training, guidance and support to panel trustees was given in U.S. Trustee pilot districts than in the non-pilot districts. U.S. Trustees were also more aggressive in monitoring fees of professionals and challenging inappropriate requests for compensation. In 1985, the U.S. Trustees issued directives to the Chapter 7 panel trustees to institute new recordkeeping and reporting systems. These systems will standardize the U.S. Trustees' monitoring of estate funds administered in Chapter 7 cases, assure that panel trustee records are auditable, and strengthen internal controls over the handling of estate funds. For the first time, the assets being administered by Chapter 7 panel trustees will be quantified with respect to pilot districts. Additionally, at the request of the Director and the U.S. Trustees, the Audit Staff, Justice Management Division, has begun a series of financial audits involving pilot district panel trustees.

Although U.S. Trustees commit a low percentage of their staff resources to the Chapter 13 area (most case matters are handled by standing trustees), the evaluators indicated the pilot program offered a better support system for the standing trustees by providing policy guidance and assistance as needed. The primary impact of the pilot program was on fiscal control of the standing trustee operations. A national audit program provides standardized audits emphasizing internal controls and managerial efficiency. Standardized budget submissions and procedures for fixing compensation and percentage fee levels were implemented as new Chapter 13 initiatives for 1985. Standing trustees finance their compensation and office expenses by investing idle funds and imposing percentage fees on payments made under approved Chapter 13 plans. If funds from these sources are greater than those needed for approved compensation and expenses, the surpluses are due to the U.S. Treasury pursuant to 28 U.S.C. § 586(e). Through aggressive monitoring of budgets, annual financial reports and audit reports, the U.S. Trustees have forwarded deposits to the U.S. Treasury totalling $1,447,795 for surplus funds generated in Chapter 13 cases. An additional $224,269 is expected to be paid to the treasury before June 1986.

Another important accomplishment of the pilot program is that the U.S. Trustees have developed effective procedures for referring criminal matters to U.S. Attorneys and other law enforcement agencies, and for providing them with information needed for effective case prosecution. In 1984, over 150 matters were referred from U.S. Trustee offices for further investigation by law enforcement agencies.

Program Changes: The 1987 request includes proposals for management improvements and productivity initiatives to save $486,000; a program decrease of one position, one workyear and $100,000; and a program increase of 15 positions, 5 workyears and $278,000.

Management and productivity improvements are proposed for the 1987 base-level budget, consistent with the Administration's policy to reduce the cost of existing federal programs. Proposals to save $446,000 in 1987 involve the consolidation of field offices (savings: $376,000) and the reduction of reimbursement agreements with the Justice Management Division (savings: $70,000). Instead of a projected 18 field office and sub-office locations, the program will operate with only 14 offices. The office in San Bernardino, California, previously scheduled to open in 1986, will not be opened. Cases in the Central District of California will continue to be supervised from the remaining two locations, Los

Angeles and Santa Ana. U.S. Trustee offices in Boston, Newark and Dallas will absorb the positions and caseloads assigned to small sub-offices in Portland, Maine; Camden, New Jersey; and Lubbock, Texas. Savings will be achieved from reduced program overhead costs. A second management improvement and productivity initiative will produce savings of $70,000 in 1987. The Justice Management Division has been providing administrative support services to the program on a reimbursable basis in the procurement and contracting area. By 1987, the field offices will develop their own expertise in these administrative activities. The continuation of these JMD services will no longer be necessary; a $70,000 reduction is therefore proposed in the 1987 estimates.

A program decrease of one position, one workyear and $100,000 is requested for the Office of Associate Counsel. This office is proposed for abolishment at the end of fiscal year 1986.

The requested increase totals 15 positions, 5 workyears and $278,000 to extend pilot U.S. Trustee jurisdiction into the Sixth Circuit, opening new pilot program offices in Cleveland and Detroit. The lapse rate applied to the 15 positions in this request (and the proposed legislation) will permit staffing toward the end of the fiscal year for assumption of case administration responsibilities at the beginning of FY 1988. Support costs, including space, travel, supplies, services and equipment rental, are calculated for only four months of FY 1987. Annualization of these estimates in 1988 will provide for an orderly transition from the non-pilot program to the pilot program.

Except in the Sixth Circuit, the U.S. Trustees already have jurisdiction over at least one judicial district in each circuit. When nationwide expansion occurs, the existing field offices will play an important support role in opening new offices; the offices constituting a nationwide program will follow circuit lines.

There is justification for including the Sixth Circuit in the pilot program before full nationwide expansion of the U.S. Trustee program First, major problems were encountered in Detroit and Cleveland since enactment of the Bankruptcy Reform Act of 1978. These areas are perceived to be among the most likely to encounter transition problems in any U.S. Trustee expansion effort. Second, the distribution of offices in a nationwide program will follow circuit lines, and the absence of an existing U.S. Trustee office will impede the expansion effort. Third, the Department's administrative burden will entail higher cost if the expansion to these cities awaits the expansion to all non-pilot locations. By incorporating these cities into the pilot program prior to full nationwide expansion, valuable experience will be gained for the later, larger-scale effort.

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Management and Administration.....	20	19	1,708	20	19	1,705	20	19	1,705	...	...	...

Long Range Goal. To furnish U.S. Trustees with effective and efficient management, policy direction, legal advice, administrative support and coordination.

Major Objectives.

To develop policies which foster efficient implementation of the program created by the Bankruptcy Reform Act of 1978, including assuring that actions taken in bankruptcy cases are consistent with the law.

To develop program priorities.

To plan for nationwide expansion of the U.S. Trustee program.

To review the management operations of field offices and recommend systems and procedures for improving the operational efficiency and effectiveness of these offices.

To provide a full range of administrative support services to the field offices, including personnel, procurement, and space management.

To provide legal and paralegal research and support services to field offices.

To determine ADP and word processing requirements of field offices and provide for the necessary procurement, installation and maintenance of suitable systems.

To perform audits of private trustee performance.

To develop and maintain substantive and law enforcement, administrative operating manuals for guidance of U.S. Trustees.

To allocate field office staff and other resources and control the expenditure of funds in a manner which permits program accomplishments within appropriated levels and consistent with OMB Circular A-123.

To provide for liaison with other Department of Justice offices, boards and divisions with respect to administrative and legal matters.

To provide for liaison with Congress and with central administrative bodies, such as the Office of Managment and Budget, the Office of Personnel Management, the General Services Administration and the Administrative Office of the U.S. Courts.

Base Program Description. The U.S. Trustee system requires centralized policy guidance, coordination and administrative support. The Director and Deputy Directors of the Executive Office for United States Trustees provide policy and management direction to the 10 U.S. Trustees and their staff in the field. The legal services staff is responsible for giving legal advice and opinions to the U.S. Trustees and for assistance in maintaining the quality of legal work performed in the field offices. The management and administrative staff is responsible for budget development and execution, resource allocation, procurement and contracts, personnel, space, accounting, automated management information systems, program auditing, and management assessments of field office operations. There are numerous federal regulations, laws and executive orders which must be followed by the U.S. Trustees and which require the services of the Executive Office. For example, the General Services Administration regulations governing the acquisition and use of space require centralized handling of these responsibilities. The complexity of federal personnel regulations likewise precludes the delegation of this function to field office personnel. Procurement can be handled more cost effectively at the headquarters level. Program-wide legal and administrative policies can only be established and monitored effectively from one central location.

Accomplishments and Workload. The present staff has been able to meet the requirements of field personnel with a minimum of delay. Responsiveness to field office needs has been excellent in spite of the heavy demands placed on the administrative section, particularly in the areas of personnel and procurement, and on the legal staff, particularly in view of dealing with new substantive provisions of law.

The word processing component of an automated case tracking system has been implemented in all the field offices. During 1985, the computer portion of the system was pilot tested in the Alexandria field office and then implemented in the new Santa Ana office. Based on an evaluation of the computer test, expansion will begin to the Los Angeles U.S. Trustee office (the largest in the country) during 1986. Timing of the expansion to other field offices is dependent on adequate resources in the base budget to finance the project.

A U.S. Trustee administrative manual and guidelines for Chapter 13 standing trustees have been issued; several other operational manuals are being prepared for guidance in case administration. A national audit program for standing trustees has been implemented. Chapter 7 audit activities commenced during 1985. Training programs have been conducted for bankruptcy analysts and paralegals. For enhanced policy development and coordination, program-wide meetings are held periodically. An outside evaluation of the U.S. Trustee program was updated in 1985 and reflects very favorably on the U.S. Trustee program. The January, 1984, Report of the Attorney General on the United States Trustee System was also very favorable. During 1985 both Sears and Montgomery Ward ran independent computer studies of their collections in consumer bankruptcy cases. Both found actual dollar returns substantially higher in the U.S. Trustee Districts. Both the U.S. Chamber of Commerce and the National Association of Credit Management have passed resolutions supporting nationwide expansion of the program.

Program Changes. In 1987, the Executive Office for U.S. Trustees requests the same resources and staff available for 1986. Through management initiatives, the base program will develop capabilities in fiscal activities to reduce total funding requirements by $40,000. In past years, the Justice Management Division (JMD) provided essential fiscal services to the U.S. Trustee program on a reimbursable basis. In 1987, the Executive Office will assume these activities in support of field office employees without the need for further support from JMD.

Legal Activities

Oversight of bankruptcy cases

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Decreases Administration of Cases		Increases Administration of Cases		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS-11	...	...	2	$53	2	$53
GS-9	...	...	2	44	2	44
GS-8	...	...	1	20	1	20
GS-7	...	...	3	53	3	53
GS-6	...	...	2	32	2	32
GS-5	...	...	2	29	2	29
Ungraded	-1	-62	3	173	2	111
Total positions and annual rate	-1	-62	15	404	14	342
Lapse (-)	...	...	-10	-274	-10	-274
Permanent workyears and comp.	-1	-62	5	130	4	68
Other personnel compensation	...	...	...	...	...	...
Total workyears and personnel compensation	-1	-62	5	130	4	68
Personnel benefits		-7		22		15
Travel		-3		4		1
Transportation of things		...		3		3
GSA rent		-12		33		21
Communications, utilities and misc. charges		-2		27		25
Printing		-1		4		3
Other services		-8		24		16
Supplies and materials		-2		9		7
Equipment		-3		22		19
Total	-1	-100	5	278	4	178

Legal Activities

Oversight of bankruptcy cases

Priority Rankings

Base Program

Program	Ranking
Administration of Cases	1
Management and Administration	2

Program Increase

Program	Ranking
Administration of Cases	1

Legal Activities

Oversight of bankruptcy cases

Summary of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985	1986	1987			
	Authorized	Authorized	Technical Adjustment	Transfer-in the Estimates	Program Changes	Total
Attorneys (905)	2,629	2,674	...	-2,654	...	20
Paralegal Specialists (950)	403	406	...	-367	6	45
U.S. Trustees or Assistant U.S. Trustees (301)	20	21	...	...	2	23
Bankruptcy Analysts (301)	22	22	...	...	...	22
Other Miscellaneous Occupations (001-009)	5	...	...	...	...	...
Criminal Investigative Series (1811)	653	10	...	-10	...	...
U.S. Marshals (082)	1,200	...	...	...	...	...
Other Legal and Kindred (905-998)	1,033	1,029	...	-979	6	56
Social Sciences, Economics and Kindred (100-199)	5	2	...	-2	...	...
Personnel Management (200-299)	58	29	...	-28	...	1
General Admin., Clerical and Office Service (300-399)	2,153	1,785	10	-1,771	...	24
Accounting and Budget (500-599)	178	14	...	-12	...	2
Engineering and Architecture Group (800-899)	2	...	...	...	...	...
Information and Arts Group (1000-1099)	2	...	...	...	...	...
Business and Industry Group (1100-1199)	73	...	...	...	...	...
Library and Archives Group (1400-1499)	8	8	...	-8	...	...
Equipment, Facilities and Service Group (1600-1699)	1	...	...	...	...	...
Education Group (1700-1799)	3	...	...	...	...	...
Supply Group (2000-2099)	11	2	...	-2	...	...
Transportation (2100-2199)	10	...	...	...		
Total	8,469	6,002	10	-5,833	14	193
Washington	329	197	10	-187	...	20
U.S. Field	8,139	5,805	...	-5,646	14	173
Foreign Field	1	...	...	...	...	...
Total	8,469	6,002	10	-5,833	14	193

Legal Activities
Salaries and expenses, Oversight of bankruptcy cases
Summary of Adjustments to Base
(Dollars in thousands)

	U.S. Attorneys			U.S. Trustees			Total		
	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount
1986 as enacted	5,823	5,483	$321,802	179	174	$10,198	6,002	5,657	$332,000
Adjustments to base:									
Savings resulting from management initiatives	...	...	...	...	...	-486	...	...	-486
Adjustment to permit staffing of additional permanent positions	10	...	...	...	...	...	10	...	...
Transfer of U.S. Attorneys activity to General Legal Activities appropriation	5,833	-5,711	-349,629	...	...	...	5,833	-5,711	-349,629
Uncontrollable increases:									
Annualization of 544 additional positions approved in 1985 and 1986	...	228	15,436	...	3	111	...	231	15,547
Annualization of 1985 supplemental for relocation of the District of Columbia U.S. Attorney's Office	...	...	2,065	...	...	...	...	...	2,065
Administrative salary increase	...	...	5,485	...	...	51	...	...	5,536
Within-grade increases	...	...	477	...	...	67	...	...	544
Health benefits costs	...	...	103	...	...	12	...	...	115
Federal Employees Compensation Act (FECA)	...	...	99	...	...	...	...	...	99
General Services Administration (GSA) rent	...	...	1,720	...	...	1,496	...	...	3,216
GSA recurring reimbursable services	...	...	58	...	...	3	...	...	61
Postal Service increase	...	...	155	...	...	8	...	...	163
Telephone system line charge	...	...	203	...	...	5	...	...	208
Department printing and reproduction costs	...	...	52	...	...	...	...	...	52
GPO printing costs	...	...	102	...	...	...	...	...	102
General pricing level adjustment	...	...	2,383	...	...	54	...	...	2,437
Annualization of 1986 relocation amendment	...	...	176	...	...	...	...	...	176
Total, uncontrollable increases	...	228	28,514	179	177	1,807	...	231	30,321
Decreases:									
Nonrecurring costs of new positions authorized in 1986	...	...	...	...	...	-24	...	...	-24
Federal Telecommunications System (FTS)	...	...	-412	...	...	-10	...	...	-422
Nonrecurring costs for relocation	...	...	-275	...	...	...	...	...	-275
Total, decreases	...	...	-687	...	...	-34	...	...	-721
1987 Base	...	...	...	179	177	11,485	179	177	11,485

Legal Activities
Salaries and expenses, Oversight of bankruptcy cases
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Total FTE	Budget Auth.
Savings resulting from management initiatives	...	...	-$486
Four sub-offices are proposed to be consolidated into larger U.S. Trustee offices, producing savings of $376,000 in 1987. Another $110,000 will be saved by reducing the services obtained by reimbursement agreement.			
Adjustment to permit staffing of additional permanent positions for U.S. Attorneys	10	...	...
Transfer of U.S. Attorneys activity to General Legal Activities appropriation	-5,833	-5,711	-349,629
For 1987, the U.S. Attorneys activity is being transferred to the General Legal Activities appropriation. Also, the U.S. Trustees will be a separate appropriation under the new title of "Oversight of Bankruptcy Cases."			
Uncontrollable Increases:			
1. Annualization of 544 additional positions approved in 1985 and 1986	...	231	15,547

This provides for the annualization of 112 positions approved for 1986.

	Approved 1986 Increases	Annualization Required
Annual salary rate of 112 positions approved for 1986	$3,842	...
Less Lapse (50%)	-1,822	$1,822
Net compensation (11%)	2,020	1,822
Associated employee benefits	229	199
Travel and transportation of persons	37	37
Transportation of things	13	13
GSA Rent	257	257
Rental payments to others	213	213

	1986 Funding for Approved 1985 Increases	Annualization Required	Perm. Pos.	Total FTE	Budget Auth.
Printing and reproduction	30	30			
Other services	125	125			
Supplies and materials	37	37			
Equipment	38	38			
Total costs subject to annualization	2,999	2,771			
This provides for annualization of 432 positions approved for 1985 but not fully annualized in 1986.					
Annual salary rate of 432 positions approved in 1985					
Supplemental	13,460	...			
Less Lapse (55%)	-7,349	$7,349			
Net compensation	6,111	7,349			
Associated employee benefits	763	831			
Travel and transportation of persons	178	317			
Transportation of things	11	109			
GSA Rent	343	1,270			
Rental payments to others	255	...			
Communications, utilities and miscellaneous	278	781			
Printings and reproduction	77	131			
Other services	1,073	1,511			
Supplies and materials	98	143			
Equipment	144	334			
Total costs subject to annualization	9,331	12,776			

2. Annualization of 1985 Supplemental for relocation of District of Columbia U.S. Attorney's Office $2,065

The $2,065,000 reflects the annualized cost associated with acquiring 120,000 square feet of space in the Judicary Center Building for the U.S. Attorney's Office for the District of Columbia.

	Perm. Pos.	Total FTE	Budget Auth.
3. Administrative salary increases	...	...	$5,536

Assistant U.S. Attorneys occupying ungraded permanent positions are, under certain circumstances, granted successive annual pay increases at varying rates until a maximum level is reached.

4. Within-grade increases	...	...	544

This request provides for an expected increase in personnel costs as a result of within-grade salary increases. This increase is generally consistent with increases experienced within recent years and is approximately one percent above the base for compensation and related benefits for permanent employment.

(Personnel compensation $477,000 and benefits $67,000 = $544,000).

5. Health benefits costs	...	...	115

The Federal Employees' Health Benefits Act (P.L. 93-246) provides that the government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective after January 1, 1985, actual contributions to health insurance increased approximately 2.1 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $115,000 provides funds for increased costs from pay period No. 2 ($155,319) to pay period No. 3 ($159,734) projected for 26 pay periods.

6. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	99

This increase reflects the billing provided by the Department of Labor for the actual costs in 1985 of employees' accident compensation. The 1987 amount will be $2,015,000 or $99,000 over the 1986 base.

7. GSA rent	...	...	3,216

Beginning in 1987, the Rent System is replacing the Standard Level User Charges (SLUC) System. GSA will change rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $3,216,000 is required to meet the rental commitment to GSA. The rates changed by GSA for 1987 are 15 percent below the equivalent market rates.

	Perm. Pos.	Total FTE	Budget Auth.
8. GSA recurring reimbursable services	...	...	$61

Reimbursable payments are made to the GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase over 1986 charges.

9. Postal Service increase	...	...	163

In 1985, the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full-year 10 percent increase for 1986 will have to be absorbed. For 1987, the requested increase of $163,000 provides for a 10 percent increase over the 1985 budget base.

10. Telephone system line charges	...	...	208

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% the increase is due to tariff changes without enhancement of services. In addition the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilitie the Department users will replace the current CENTREX II system with modern, nonbloc digitally based integrated voice and data Private Branch Exchanges (PBX). Funding for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million would be included in the FY 1989 request.

11. Department printing and reproduction costs	...	...	52

The Department is currently projecting a 5 percent increase over the 1986 printing cost of $1,040,000. An additional $52,000 will be required in 1987.

12. Government Printing Office (GPO) printing costs	...	...	102

The GPO is currently projecting a 5 percent increase over the 1986 printing costs. An additional $102,000 will be required in 1987.

	Perm. Pos.	Total FTE	Budget Auth.
13. General pricing level adjustment	...	...	$2,437
This request applied OMB pricing guidance of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
14. Annualization of 1986 amendment for relocation of U.S. Attorneys	...	...	176
The 1986 amendment requested funding to relocate and consolidate the various offices of the Executive Office for U.S. Attorneys from its present locations to a new location in the Patrick Henry Building. The $176,000 represents the funding requirement between the U.S. Attorneys' need and that which was appropriated by the Congress for this purpose.			
Total, uncontrollable increases	...	231	30,321
Decreases (Automatic non-policy):			
1. Nonrecurring costs for new positions authorized in 1986	...	...	-24
2. Federal Telecommunications System (FTS)	...	...	-422
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $422,000 will be subtracted from the 1987 base.			
3. Nonrecurring costs for relocation of District of Columbia U.S. Attorney's Office	...	...	-275
Total, decreases	...	...	-721
Total, adjustments to base	-5,823	-5,480	-320,515

Legal Activities
Salaries and expenses, Oversight of bankcupty cases
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Enacted Positions & Workyears	1986 Enacted Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-6, $72,300	1		1		...	
ES-5, $70,500	1		...		-1	
ES-4, $68,700	3		...		-3	
ES-3, $66,232	1		...		-1	
ES-1, $61,296	1		...		-1	
GS/GM-15, $52,262-$67,940	13		3		-10	
GS/GM-14, $44,430-$57,759	34		10		-24	
GS/GM-13, $37,599-$48,876	74		31		-43	
GS-12, $31,619-$41,105	51		7		-44	
GS-11, $26,381-$34,292	119		13		-106	
GS-10, $24,011-$31,211	14		...		-14	
GS-9, $21,804-$28,347	317		33		-284	
GS-8, $19,740-$25,662	218		23		-195	
GS-7, $17,824-$23,170	611		24		-587	
GS-6, $16,040-$20,855	944		16		-928	
GS-5, $14,390-$18,710	592		9		-583	
GS-4, $12,862-$16,723	272		...		-272	
GS-3, $11,458-$14,896	57		...		-57	
GS-2, $10,501-$13,216	4		...		-4	
Ungraded positions	2,675		23		-2,652	
Total, appropriated positions	6,002	$215,017	193	$6,362	-5,809	-$208,655
Pay above stated annual rate	...	804	...	25	...	-779
Lapses	-572	-22,466	-16	-472	556	21,994
Net full-time permanent	5,430	193,355	177	5,915	-5,253	-187,440
Average ES Salary		($68,061)		($72,300)		
Average GS/GM Salary		($26.59)		($29.09)		
Average GS/GM Grade		(8.13)		(9.50)		

	1986 Enacted		1987 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Other than permanent:						
Part-time permanent	11	$706	1	$30	-10	-$676
Temporary employment	203	9,093	3	202	-200	-8,891
Other part-time and intermittent employment	13	948	...	29	-13	-948
Other personnel compensation:						
Overtime	34	1,076	1	29	-33	-1,047
Administratively uncontrollable overtime	...	449	...	...	...	-449
Other compensation	...	44	...	44	...	...
Special personal services payments	...	1,520	...	...	...	-1,520
Total, workyears and personnel compensation	5,691	207,191	182	6,220	-5,509	-200,971

GENERAL STATEMENT

Mr. EARLY. We are pleased to have with us today Mr. Thomas Stanton, Director, United States Trustees.

Mr. Stanton, proceed with your statement.

Mr. STANTON. Good morning. I have with me Mr. Hugh Leonard, who is the U.S. Trustee in New Jersey and Delaware, and Chairman of the Advisory Committee.

I am pleased to have this opportunity to appear before you today to discuss the 1987 appropriation request for the United States Trustee program. I am happy to tell you this is the first time since 1980 the Administration has proposed funding for this program. In fact, we are proposed for an increase. The request is for 193 positions, 181 workyears and $11,663,000. This is a net increase of 14 positions, four workyears and $178,000 above the current funding level.

MANAGEMENT INITIATIVES

Consistent with the Administration's efforts to identify possible savings to offset expanding programs and to reduce the Federal deficit, the request includes annual savings of $486,000 from management initiatives and productivity increases.

Management initiatives include the consolidation of field offices from the existing 16 locations to 13 locations. The request would close offices in Portland, Maine, Camden, New Jersey, and Lubbock, Texas. The 1987 request would incorporate these small offices into larger main offices. The initiative would also cancel plans to open an office in San Bernardino, California in 1986, though it is not our intent to completely cancel that opening, just to delay it.

The productivity increases involve annual savings of $100,000. These would be achieved by not renewing reimbursable agreements with the Department's Justice Management Division. These agreements have provided the program with essential technical assistance in the fiscal and procurement areas. Our program will instead develop these skills within the program. I think this is necessary if we are going to expand on a nationwide basis.

A program decrease of one position and one workyear and $100,000 is requested for the Office of Associate Counsel. The work of that office will be completed by the end of 1986.

PROGRAM INCREASES

Program increases of 15 positions, five workyears and $278,000 will fund our request to add two new judicial districts to the pilot program in preparation for our planned expansion. Both judicial districts are located in the Sixth Circuit, the only circuit in which we do not have a main field office. The two districts to be added are the Eastern District of Michigan and the Northern District of Ohio. The United States Trustees would be appointed to head main field offices in Detroit and in Cleveland.

Since enactment of the Bankruptcy Reform Act of 1978, both of these districts have encountered problems relating to bankruptcy case administration. Both jurisdictions have heavy complex caseloads. We believe we will make a real improvement in bankruptcy

case administration in these districts and at the same time, by including these cities in the 1987 request prior to expansion, we will gain valuable experience that will help us prepare for nationwide expansion. As you know, there are two bills pending in the House, H.R. 2660 and H.R. 3664, that would establish a nationwide United States Trustee program. A companion bill, S. 1961, is pending in the Senate.

As we prepare to expand the program, studies continue to report favorably on the results of the pilot program. Abt Associates conducted a program evaluation in 1983. An update was completed in 1985. It concluded the program continues to be a success. They found that businesses filing Chapter 11 cases were twice as likely to have successful reorganizations in the United States Trustee Districts. This translates directly into taxes paid, debts repaid and thousands of jobs saved.

In 1985, two major retailers, Sears Roebuck and Montgomery Ward, conducted independent studies of the recoveries in bankruptcy cases. Both found their dollar recoveries were substantially higher in the pilot districts. I would like to point out this was done without in any way hurting the debtors involved.

This concludes my prepared statement, Mr. Chairman. I would be happy to answer any questions you or any members of the committee may have.

[The prepared statement of Thomas J. Stanton follows:]

DEPARTMENT OF JUSTICE

OVERSIGHT OF BANKRUPTCY CASES

STATEMENT OF THE DIRECTOR AND COUNSEL,
EXECUTIVE OFFICE FOR U.S. TRUSTEES

THOMAS J. STANTON

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON THE
DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today to discuss the 1987 appropriation request for United States Trustees, a pilot program established by Congress in the Bankruptcy Reform Act of 1978. The request is for 193 positions, 181 workyears and $11,663,000. This is a net increase of 14 positions, 4 workyears, and $178,000 above the current funding level.

Consistent with the Administration's efforts to identify possible savings to offset expanding programs and to reduce the Federal deficit, the request includes annual savings of $486,000 from management initiatives and productivity increases.

Management initiatives involve the consolidation of field offices from the existing 16 locations to a new level of 13 locations. The request would close offices in Portland, Maine, Camden, New Jersey, and Lubbock, Texas. The 1987 request would incorporate these small offices into larger field offices. The initiative would also cancel plans to open an office in San Bernardino, California, during 1986.

Productivity increases involve annual savings of $100,000 and would be achieved by not renewing reimbursable agreements with the Department's Justice Management Division. These agreements have provided the program with essential technical assistance in the fiscal and procurement areas. The program will instead develop skills among headquarters and field employees to handle these responsibilities in the future.

A program decrease of one position and workyear and $100,000 is requested for the Office of Associate Counsel. Its work will be complete by the end of 1986.

Program increases of 15 positions, 5 workyears and $278,000 will fund the request to add two new judicial districts to the pilot program in preparation for its later expansion nationwide. Both new judicial districts are located in the Sixth Circuit, the Eastern District of Michigan and the Northern District of Ohio. United States Trustees would be appointed to head offices in Detroit and Cleveland. Under the Bankruptcy Reform Act of 1978, both of these districts have encountered problems adjusting to the bankruptcy judges' lessened administrative role in supervising bankruptcy cases. We believe that by including these cities in the 1987 appropriation request, valuable experiences can be gained by administrative staff in the U. S. Trustee program and in the Department for use in the later, larger scale expansion effort.

As we prepare to expand, studies continue to report favorably on the U. S. Trustee program. Abt Associates conducted a program evaluation and reported its findings in 1983. An update with more

recent data, completed in 1985, concluded that the pilot test of a new system for bankruptcy administration was a success. Businesses in chapter 11 cases were twice as likely to file successful reorganization plans in the pilot districts than in non-pilot districts. The positive implications for the economy come from the taxes paid, the debts rescheduled, and the thousands of jobs saved. Two major retailers, Sears and Roebuck and Montgomery Wards, conducted their own studies of returns from consumer bankruptcy cases. Each found their dollar recoveries to be substantially higher in pilot districts than in non-pilot districts.

This concludes my prepared statement, Mr. Chairman. I will be pleased to answer any questions you or any member of the Subcommittee may have.

IMPACT OF GRAMM-RUDMAN

Mr. EARLY. I am extremely happy to see the debt is our chief concern. It is easy to get hung up in bureaucracy and lose sight of what we are supposed to be doing. The $10,198,000 in your enacted budget was reduced $439,000 by the Gramm-Rudman legislation. What impact will this reduction have on your activities for fiscal year 1986?

Mr. STANTON. In 1986, we are eliminating a computer system we had planned to put in Chicago, we are lowering our travel budget substantially, we have eliminated training, we have reduced and almost completely eliminated purchases of equipment and furniture, and we have a hiring freeze at this point.

Mr. EARLY. I don't see any true savings in cutting back on your computer program. With the hiring freeze and travel there may be some savings, but the other three items cut back were computer——

Mr. STANTON. Training and furniture and equipment.

Mr. EARLY. I don't see how you can see that as a long-term savings, and the latter was?

Mr. STANTON. We have a hiring freeze.

PENDING LEGISLATION

Mr. EARLY. I don't see those as long-range savings. In your statement, you spoke about pending legislation. I was very pleased that the Attorney General, who was here earlier this week, for the first time included your proposal in the budget. I was also pleased with the confidence he showed in your program. I think that is because of the performance you have had the past couple years, and the fact he is more or less leading the fight for nationwide expansion.

You spoke of the three bills pending, two in the House and one in the Senate. Do you anticipate we can get those through?

Mr. STANTON. I certainly hope so. There are hearings on March 20th before Chairman Rodino's subcommittee on Monopolies in the House, and on March 25th in the Senate, the Senate Courts Subcommittee.

Mr. EARLY. I can only speak of how it has affected the region I represent, several states in my region of the Northeast. It has been very effective. I have heard from everyone—not everyone, but from debtors to lawyers to judges. The ones I have spoken to, have said it has been very practical, and we are getting the best bang for our buck in bankruptcy than we have in a long time. I hope as you expand, you will get more and more efficient and more productive.

Mr. STANTON. I think it has made a real improvement.

CONSOLIDATION OF FIELD OFFICES

Mr. EARLY. Your budget justification on page 12 indicates you would save $376,000 through the consolidation of field offices. What services would be consolidated, and what would be the impact on the services provided by the U.S. Trustee program if this proposal is approved?

Mr. STANTON. What would happen is that the services would continue. We would still have to supervise the cases in those areas. But the justification for having field offices is substantially reduced, because the caseload, at least in two of the jurisdictions, has dropped, and in one of them, though it is increasing, the office has been very difficult for us to staff.

Mr. EARLY. Is this proposal to consolidate field offices consistent with the Administration's attempt or view to expand this nationwide?

Mr. STANTON. Yes. Really, the Administration wanted us—this is the Administration's effort to consolidate all government offices, and I think that we were asked to look at our offices and see where we could consolidate. I think in these three offices we will benefit from the consolidation.

TERMINATION OF JUSTICE MANAGEMENT DIVISION SUPPORT

Mr. EARLY. The budget also reflects a savings of $70,000 in fiscal year 1987 through the elimination of administrative support services from the Justice Management Division. How will these services be provided in the field offices if the reduction is approved?

Mr. STANTON. They will be provided through our office. But we will train people in the field offices to an extent in the past they have not been. The details of procurement up to now have been handled either by us or by reimbursement through Justice Management Division.

Mr. EARLY. Well, let me ask you, or Mr. Leonard first, how do you expect to save any money on this reduction and on training? Bankruptcy is such a complicated system, and as you are going to expand, if we cut back or get our Gramm-Rudman savings from training, I don't know how that is a long-range savings at all. I really think that is very bad.

Mr. STANTON. Our problem, Mr. Early, is the situation that has existed with our program. We have operated, as you know, for five years without any budget requests from the Administration, and the Congress each year has been good enough to restore our funding at the present level. But for five years we have operated at the present level that was the present level in 1980, and, of course, the caseload has gone up something like 400 percent.

To some extent, we have used our extra money in this program to staff out every available FTE we have. All of our FTEs are filled, in fact, more filled than they should be, and what that has done to us is left little flexibility in other areas of our program to find necessary cuts to meet the Gramm-Rudman targets.

Mr. EARLY. If you don't train your own people, I don't understand how you are going to recruit people for Newarks, and Los Angeleses, where lawyers make so much money. I would just think you've got to build up the expertise of in-house people as you expand nationwide.

Mr. STANTON. I agree. Training is one of the things we have always stressed, but we are up against a choice of training people or letting people go. I don't think there is an agreeable choice there. And training is one of those things we can postpone.

OFFICE OF ASSOCIATE COUNSEL

Mr. EARLY. I hope you don't postpone it too long.

Page 13 of the justification indicates that you propose to eliminate the Office of Associate Counsel. The justifications do not indicate the reason for this proposal. Does it make sense to eliminate this office if the program is going to be expanded from a pilot basis?

Mr. STANTON. That, again, is one of the Administration initiatives to cut senior level positions that are relatively—at least in our structure—not needed, and that is one position that we will not need beyond the end of 1986. Again, we are trying to meet the Administration's guidelines on reducing senior-level employees, a GS-15 is in that position.

SIXTH CIRCUIT

Mr. EARLY. On page 13 of the justification, it indicates you are requesting 15 positions and $278,000 to extend the pilot program into the Sixth Circuit by opening new offices in Cleveland and Detroit. However, the justification also indicates this request will permit staff of these offices toward the end of fiscal year for assumption of case administration responsibilities at the beginning of 1988. If there is a need for additional resources in Detroit and Cleveland, why are you proposing to delay the billing of these positions until the last few months of 1987?

Mr. STANTON. Again, we are trying to meet the Administration guidelines on funding these. And, at the same time, we do need at least six months lag time to get these offices up. Certainly we, on any time schedule, will not be able to do it before the middle of the year. Probably by taking a little more time, we will be better prepared to open the offices.

INCREASED WORKLOAD

Mr. EARLY. The workload statistics on page seven of the justification indicate a significant increase in both Chapter 7 and Chapter 11 cases for fiscal year 1987. For example, the Chapter 7 cases are estimated to increase by 6,000 by the end of fiscal year 1987 and Chapter 11 cases are estimated to increase by 1,300 by the end of fiscal year 1987. In view of these substantial increases, why aren't you requesting any additional resources? How are you going to handle that number of increases?

Mr. STANTON. That is a good question. It was a decision of resources throughout the Department. It was felt—to some extent that some of these increases are in pockets. We have a pocket in Texas where filings connected to the oil case have gone up substantially.

Mr. EARLY. Are you satisfied that your regional offices are trying to negotiate settlements as quickly as possible?

Mr. STANTON. In our offices?

Mr. EARLY. Yes.

Mr. STANTON. I think our offices are handling their caseload in an amazing fashion considering the volume of cases.

Mr. EARLY. What was your budget request to the Justice Department and to OMB?

Mr. STANTON. Well——

Mr. EARLY. I don't know why you agencies always squirm on that particular question. They all have to come forward and say what it was. Do you want to provide it for the record?

Mr. STANTON. If you want us to provide it for the record, we will.

[The information follows:]

TRACKING OVERSIGHT OF BANKRUPTCY CASES 1987 BUDGET REQUEST

[Dollars in thousands]

	Positions	WY	Amount
1987 Request to the Department:			
Base budget	179	175	$11,312
Increases	28	24	1,663
Total request	207	199	12,975
1987 Request to the OMB:			
Base budget	167	165	10,863
Increases	26	8	400
Total request	193	173	11,263

RESOURCES IN 1987 FOR EXISTING FIELD OFFICES

Mr. EARLY. If the Congress does not provide any additional resources for 1987 for existing field offices, what action will you take to handle the caseload?

Mr. STANTON. We will do what we have always done, handle the caseload, but it will increase the pressures on the offices. I am sure that is the way it is operating in most of the Department of Justice.

Mr. EARLY. I want to thank you for your testimony. I really think your program has worked well. I wish you well when this nationwide expansion goes into effect and that you have success with the pilot program.

Thank you very much.

Mr. STANTON. Thank you.

Mr. LEONARD. Thank you, Mr. Chairman.

FRIDAY, MARCH 7, 1986.

ANTITRUST DIVISION

WITNESSES

DOUGLAS H. GINSBURG, ASSISTANT ATTORNEY GENERAL

RALPH J. JUSTUS, EXECUTIVE OFFICER

ROBERT N. FORD, DEPUTY ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. EARLY [presiding]. The fiscal year 1987 budget request for the Antitrust Division is $46,809,000. This amount is an increase of $4,023,000 above the appropriation for the fiscal year 1986 adjusted for sequestration under the public Law 99-177.

We shall insert the budget justifications in the record at this point.

[The justification materials follow:]

Legal Activities
Salaries and expenses, Oversight of bankruptcy cases
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1986 Enacted Workyears	1986 Enacted Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Permanent positions	5,430	$193,355	177	$5,915	-5,253	-$187,440
11.3 Positions other than permanent	227	10,747	4	232	-223	-10,515
11.5 Other personnel compensation	34	1,569	1	73	-33	-1,496
11.8 Special personnel services payments	...	1,520	...	...	...	-1,520
Total	5,691	207,191	182	6,220	-5,509	-200,971
Other objects:						
12.1 Personnel benefits		23,778		684		-23,094
13 Benefits for former personnel		4		4		...
21 Travel and transportation of persons		7,977		358		-7,619
22 Transportation of things		1,420		39		-1,381
23.1 GSA Rent		28,716		2,913		-25,803
23.2 Rental payments to others		198		...		-198
23.3 Communications, utilities and miscellaneous charges		24,954		576		-24,378
24 Printing and reproduction		2,829		56		-2,773
25 Other services		30,491		415		-30,076
26 Supplies and materials		2,896		171		-2,725
31 Equipment		7,282		227		-7,055
Total, obligations	5,691	337,736	182	11,663	-5,509	-326,073
Obligated balance, start-of-year		-5,736		...		
Total, requirements		332,000		11,663		
Relation of obligations to outlays:						
Total, obligations		337,736		11,663		
Obligated balance, start-of-year		38,484		51,558		
Obligated balance, transferred net		-9,262		-50,056		
Obligated balance, end-of-year		-51,558		-2,085		
Outlays		-315,400		11,080		

Legal Activities
Salaries and expenses, Oversight of Bankruptcy Cases
Consulting and Related Services
(Dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Consulting Services	$8	$16	$15
Management and Professional Services	28	31	34
Special Studies and Analysis	165	...	...
Total	201	47	49

Consulting and related services are required to provide those services beyond the scope of skills available in-house. For the three fiscal years above, consulting services have assisted in the design, development and programming of computer systems for bankruptcy case management. Management and professional services include specialized areas of expertise where it is more cost effective to contract for services than to hire permanent staff, including graphics, training and technical systems development. Special studies and analysis in 1985 involved an update to the Congressionally mandated study of the U.S. Trustees program by ABT Associates, originally published in 1983.

Department of Justice

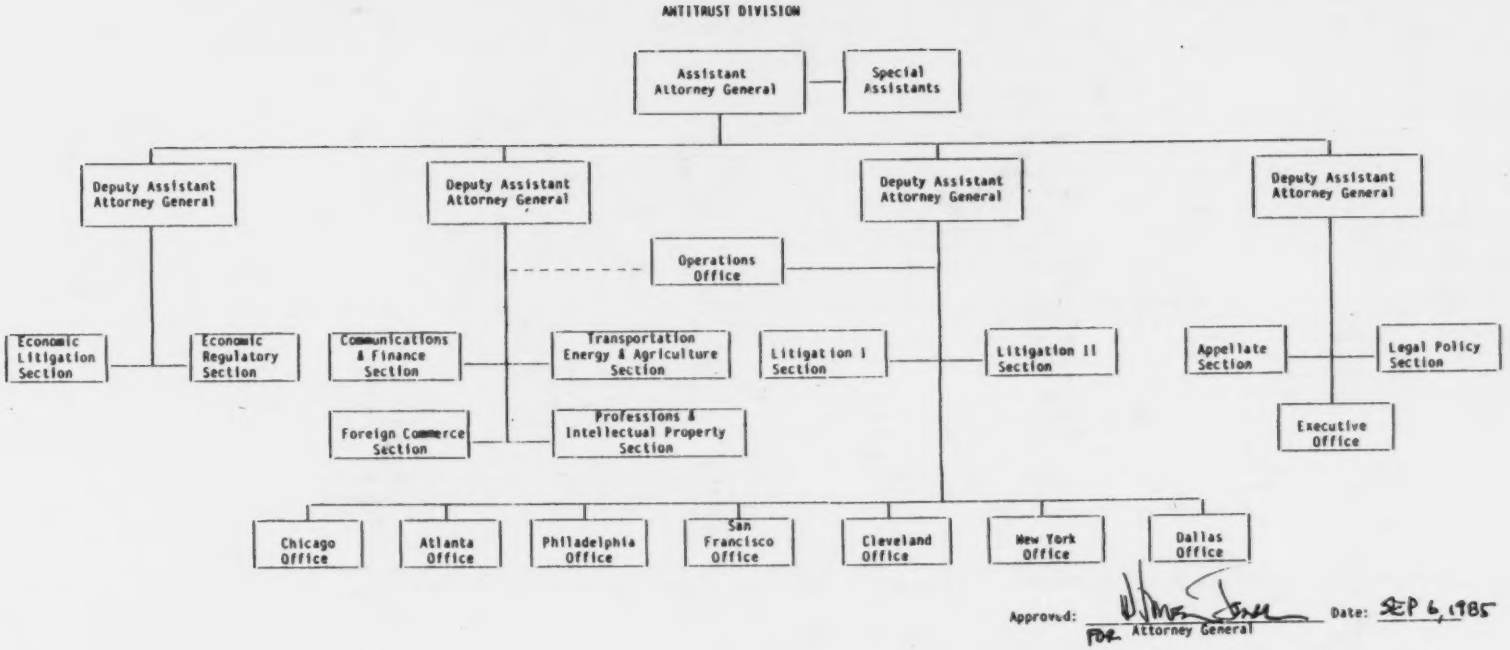
Legal Activities

Salaries and expenses, Antitrust Division

Estimates for Fiscal Year 1987

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Summary of Resources by Program	8
Justification of Program and Performance	9
Priority Rankings	29
Detail of Permanent Positions by Category	30
Summary of Adjustments to Base	31
Justification of Adjustments to Base	32
Summary of Requirements by Grade and Object Class	34


ANTITRUST DIVISION
Assistant Attorney General
Special Assistants
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Operations Office
Economic Litigation Section
Economic Regulatory Section
Communications & Finance Section
Transportation Energy & Agriculture Section
Litigation I Section
Litigation II Section
Appellate Section
Legal Policy Section
Foreign Commerce Section
Professions & Intellectual Property Section
Executive Office
Chicago Office
Atlanta Office
Philadelphia Office
San Francisco Office
Cleveland Office
New York Office
Dallas Office
Approved:
FOR Attorney General
Date: SEP 6, 1985

Legal Activities

Salaries and expenses, Antitrust Division

Summary Statement

Fiscal Year 1987

For the 1987 budget year, the Antitrust Division is requesting 717 positions, 699 workyears, and $50,009,000. This represents net adjustments to base of $2,109,000 and a transfer from the Interstate Commerce Commission of 68 positions, 68 workyears, and $3,400,000.

The mission of the Antitrust Division is to protect and promote competition. The United States economy has grown and prospered as a result of competition, and very often the economy's failures and weaknesses can be traced to the attenuation of competition in particular markets. By fostering innovation and efficiency, competition serves as the fundamental process by which the total wealth produced from America's resources is maximized. The Division historically has sought, and in 1987 will continue to seek, to accomplish its mission in two basic ways. First, the antitrust laws provide the Division with effective tools to eliminate private impediments to competition. The Division vigorously prosecutes violations of those laws to punish and deter the efforts of private parties to acquire market power and to use that power to raise prices or restrict supplies. For example, since 1979, the Division has brought an unprecedented number of successful criminal prosecutions against individuals and firms in a number of industries, including those who rigged bids on government projects. Second, in addition to enforcing the antitrust laws, the Division constantly monitors and evaluates the antitrust statutes and their interpretation by the courts, and proposes amendments to ensure that antitrust law effectively serves its goal of promoting competition. For example, the Division has participated as amicus in a number of cases before the Supreme Court and the federal courts of appeals to facilitate the sound development of antitrust law.

The Division plans to pursue an active, vigorous, and fair-minded merger enforcement policy that distinguishes the contribution that many mergers make to the free market system from the potential economic threat posed by others. Such a policy will foster and improve competition rather than stifle it. The Division's policy will provide considerable benefit to the economy, the consumer, and the competitiveness of American industries in the world market. Many mergers permit firms to realize scale economies in production, distribution and marketing, reduced transaction costs, reduced transportation costs, improved management, and the elimination of duplication that lower fixed costs and reduce overhead. While recognizing the substantial benefits of a free merger market, the Division does not issue a blanket endorsement of individual transactions. Proposed mergers require extensive and comprehensive investigation. If competitive problems are discovered, the companies involved are notified. If those problems are eliminated through binding agreements, the Division will not block the transaction. However, steps will be taken to ensure, through contempt actions if necessary, that the parties involved fully abide by these agreements.

The Division also endeavors to accomplish its mission by appearing before Congress and the various federal regulatory agencies to advocate limitations on government interference in the marketplace. Government regulation frequently has characteristics and effects that are as inimical to the economic well-being of Americans as private restraints of trade, particularly when such regulation has little purpose other than to shield activities by private parties that would be illegal under the antitrust laws. On the other hand, when market failures or overriding social goals clearly require regulation, the Division works with Congress and regulatory agencies to ensure that those failures are effectively eliminated, or other social goals successfully accomplished, with minimum disruption of the competitive processes.

59-584 O—86——32

The Division has six budget programs in 1987. They are:

Federal Appellate Activity--Through the resources provided for this program, the Division prosecutes and defends appeals from decisions involving Division litigation in the Supreme Court and federal courts of appeals; it represents certain regulatory agencies in the courts of appeals; and it participates as amicus in private cases to help the appellate courts interpret the antitrust statutes in a way that will best maximize consumer welfare.

Termination and Prevention of Private Cartel Behavior--The resources provided for this program enable the Division to monitor the economy for possible anticompetitive agreements, such as bid rigging and price fixing, that violate Section 1 of the Sherman Act; to prosecute, both criminally and civilly, parties to such illegal agreements; and to monitor injunctive decrees that were obtained as a result of such prosecutions to ensure that they are complied with and to determine whether the terms of those decrees continue to be necessary and effective to promote competition.

Preservation of Competitive Market Structure--Through the resources provided for this program, the Division is able to evaluate proposed and consummated mergers and acquisitions for the purpose of challenging those that change the structure of the market in a way that seriously threatens competition; to prevent or dissipate monopoly power that has been acquired or maintained (or where there has been an attempt to acquire or maintain such power) in violation of Section 2 of the Sherman Act; and to monitor decrees obtained under this program to ensure compliance and to ensure that their terms continue to promote competition.

Policy Analysis, Legislation and Training--The Division uses the resources provided for this program to work with the Congress to ensure that legislation is drafted in a way that best serves to promote competition; to ensure that the investigations undertaken, and the cases brought, are handled in the most efficient and effective manner and have a sound economic basis (that is, will have the effect of enhancing consumer welfare); and to provide adequate training to the professional staff.

Competition Advocacy Program--The resources provided for this program enable the Division to advocate, before federal regulatory agencies and in executive branch deliberations, the elimination of unnecessary regulation and the adoption of the least anticompetitive means necessary to achieve a sound national economy and enhance consumer welfare.

Management and Administration--This program provides the resources necessary to provide the Division with policy guidance and administrative support.

Legal Activities

Salaries and expenses, Antitrust Division

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Antitrust Division

For expenses necessary for the enforcement of antitrust and kindred laws, [$44,500,000]: $46,609,000

(15 U.S.C. 4, 9, 18; 21, 1312a; 28 U.S.C. 501, 506, 510-512, 514-516, 519, 524, 525; Department of Justice and Related Agencies Appropriation Act, 1986; additional authorizing legislation to be proposed.)

Explanation of Changes:

In addition to the above request, language is proposed for separate transmittal that will request $3,400,000 to fund functions designated for transfer from the Interstate Commerce Commission.

Legal Activities

Salaries and expenses, Antitrust Division

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			4.3% Reduc.	Funds Sequestered			Reprogrammings			Rev. Amt.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.		Pos.	WY	Amt.	Pos.	WY	Amt.	
Enforcement of antitrust and kindred laws:																	
Federal appellate activity	23	23	$1,254	---	---	-$8	23	23	$1,246	-$54	---	---	---	---	---	---	$1,192
Termination and prevention of private cartel behavior	222	202	15,634	---	---	-98	222	202	15,536	-668	---	---	---	---	---	---	14,868
Preservation of competitive market structure	164	161	15,920	---	---	-100	164	161	15,820	-681	---	---	---	---	---	---	15,139
Policy analysis, legislation and training	92	91	5,059	---	---	-32	92	91	5,027	-216	---	---	---	---	---	---	4,811
Competition advocacy program	59	59	2,838	---	---	-18	59	59	2,820	-121	---	---	---	---	---	---	2,699
Management and administration	89	95	4,077	---	---	-26	89	95	4,051	-174	---	---	---	---	---	---	3,877
Total	649	631	44,782	---	---	-282	649	631	44,500	-1,914	---	---	---	---	---	---	42,586

Legal Activities

Salaries and expenses, Antitrust Division

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 As Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Enforcement of antitrust and kindred laws:												
Federal appellate activity	23	23	$1,254	---	---	-$8	---	---	---	23	23	$1,246
Termination and prevention of private cartel behavior	222	202	15,634	---	---	-98	---	---	---	222	202	15,536
Preservation of competitive market structure	164	161	15,920	---	---	-100	---	---	---	164	161	15,820
Policy analysis, legislation and training	92	91	5,059	---	---	-32	---	---	---	92	91	5,027
Competition advocacy program	59	59	2,838	---	---	-18	---	---	---	59	59	2,820
Management and administration	89	95	4,077	---	---	-26	---	---	---	89	95	4,051
Total	649	631	44,782	---	---	-282	---	---	---	649	631	44,500

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

Congress reduced the relocation amendment by $92,000 and cut the pay restoration amendment by $170,000. An additional $20,000 reduction was unspecified.

Legal Activities

Salaries and expenses, Antitrust Division

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	649	631	$44,500
Transfer from Interstate Commerce Commission	68	68	3,400
Uncontrollable increases	---	---	2,516
Decreases	---	---	-407
1987 base	717	699	50,009

	1985 Actual			1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement of antitrust and kindred laws	649	631	$42,765	649	631	$44,500	717	699	$50,009	717	699	$50,009	---	---	---

Legal Activities

Salaries and expenses, Antitrust Division

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	23	23	$1,206	23	23	$1,196	23	23	$1,246	23	23	$1,317	23	23	$1,317	---	---	---
Termination and prevention of private cartel behavior....	222	208	15,105	222	202	14,981	222	202	15,536	222	202	16,282	222	202	16,282	---	---	---
Preservation of competitive market structure.....	164	161	15,385	164	161	15,259	164	161	15,820	164	161	16,418	164	161	16,418	---	---	---
Policy analysis, legislation and training.....	92	91	4,859	92	91	4,819	92	91	5,027	92	91	5,328	92	91	5,328	---	---	---
Competition advocacy program....	59	59	2,714	59	59	2,692	59	59	2,820	127	127	6,401	127	127	6,401	---	---	---
Management and administration...	89	95	3,850	89	95	3,818	89	95	4,051	89	95	4,263	89	95	4,263	---	---	---
Total.....	649	637	43,119	649	631	42,765	649	631	44,500	717	699	50,009	717	699	50,009	---	---	---
Other Workyears:																		
Holiday.....		---			---			---			---			---			---	
Overtime.....		8			8			8			8			8			---	
Total compensable workyears...		645			639			639			707			707			---	

Legal Activities

Salaries and expenses, Antitrust Division

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement of antitrust and kindred laws:	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	23	23	$1,246	23	23	$1,317	23	23	$1,317	---	---	---
Termination and prevention of private cartel behavior	222	202	15,536	222	202	16,282	222	202	16,282	---	---	---
Preservation of competitive market structure	164	161	15,820	164	161	16,418	164	161	16,418	---	---	---
Policy analysis, legislation and training	92	91	5,027	92	91	5,328	92	91	5,328	---	---	---
Competition advocacy program	59	59	2,820	127	127	6,401	127	127	6,401	---	---	---
Management and administration	89	95	4,051	89	95	4,263	89	95	4,263	---	---	---
Total	649	631	44,500	717	699	50,009	717	699	50,009	---	---	---

This budget activity includes all resources of the Antitrust Division for the mission of protecting and promoting competition.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	23	23	$1,246	23	23	$1,317	23	23	$1,317	---	---	---

Long-Range Goal: To provide effective representation before courts of appeals and the U.S. Supreme Court for antitrust cases and in proceedings to review orders of certain regulatory agencies.

Major Objectives:

To support sound and consistent development and enforcement of antitrust laws through the expert prosecution and defense of appeals in cases brought by the United States.

To protect the interests of the United States in the development of antitrust law through participation as amicus curiae in private antitrust appeals.

To advocate competition in appeals taken from regulatory proceedings.

Base Program Description: In order to provide effective representation, the Division acts on antitrust cases before the Supreme Court as authorized by the Solicitor General; represents the interests of the United States in the courts of appeals in all civil and criminal cases brought by the United States under the federal antitrust laws; reviews certain decisions of the Interstate Commerce Commission, the Federal Communications Commission, the Federal Maritime Commission and the Nuclear Regulatory Commission, and prepares an appeal position for the United States; and prepares and files amicus briefs in the district courts, the courts of appeals and the Supreme Court in selected private antitrust cases.

The Division's responsibility for appeals from decisions by district courts in antitrust cases and for participation as amicus curiae is defined by 28 C.F.R. §0.20 and 28 C.F.R. §0.40(a). Authority to represent the Interstate Commerce Commission, Federal Communications Commission, Federal Maritime Commission and the Nuclear Regulatory Commission in proceedings to review orders is contained in 28 U.S.C. §§2341-2350.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
Administrative Law Cases				
Pending	520	485	466	466
Filed	319	373	380	380
Terminated	354	392	380	380
Antitrust Amicus Cases				
Filed	12	9	8	8
Terminated	17	9	8	8
Antitrust Division Cases In Courts of Appeals				
Won	9	15	16	16
Lost	5	4	---	---
Dismissed	---	---	---	---
Antitrust Division Cases In Supreme Court				
Won	2	7	7	7
Lost	---	1	---	---
Dismissed	---	---	---	---

Appellate activity was heavy in 1985. In the Supreme Court, the Division filed nine amicus briefs in cases involving important questions of antitrust policy. Five of those filings were at the request of the Court and, in four of these cases, the Court ultimately acted in a manner consistent with the Division's suggestion; Matsushita Electric Industrial Co., Ltd. v. Zenith Radio Corp., No. 83-2004; Mobil Oil Corp. v. Jerry A. Blanton, No. 83-1896, P.I.A. Asheville, Inc. v. State of North Carolina, No. 84-480, and Buckingham Corp. v. Odom Corp., No. 84-806. In Matsushita, plaintiffs contended that various Japanese television manufacturers and other companies participated in a 20-year conspiracy to drive American television manufacturers out of business by selling televisions at artificially high prices in Japan and at artificially low prices in the United States. Among other things, the Division argued successfully in the brief that the Supreme Court should grant certiorari to reaffirm that an antitrust plaintiff who seeks to prove the existence of the anticompetitive conspiracy solely on the basis of circumstantial evidence in the form of parallel conduct can survive a summary judgment motion only by showing that the evidence to be introduced is more consistent with the inference that the conduct resulted from the alleged conspiracy than with the inference that it resulted from independent action. The Division also argued that the court of appeals erred in concluding that the factfinder could find Japanese companies

liable for a Sherman Act violation based on the conduct challenged in that case, which was compelled by the Government of Japan. After the Supreme Court granted certiorari in this case, the Division filed an amicus brief asking the Court to reverse the decision of the court of appeals.

In Mobil Oil, a jury found, among other things, that Mobil had attempted to monopolize a relevant market or submarket for the sale of certain products. In the amicus brief, the Division noted that in affirming the jury's verdict the court of appeals had erroneously stated that there was no need to define the relevant market before imposing liability under Section 2 of the Sherman Act and that a plaintiff in a Section 2 case may establish attempted monopolization without proving that actual monopolization is the probable result. Nevertheless, the Division contended that the Supreme Court should deny certiorari because the jury had been correctly instructed and the court of appeals had found that its verdict was supported by the record. Thus, since there was an alternative ground for the judgment, Supreme Court review of other aspects of the decision of the court of appeals was unnecessary. In P.I.A. Asheville, the Division argued that the court of appeals had correctly concluded that the National Health Planning and Resources Development Act of 1974 did not give rise to implied antitrust immunity with respect to acquisitions of competing hospitals. The Division also argued that North Carolina's review and approval of the acquisitions did not afford private parties immunity under the state action doctrine. The Division therefore suggested that the Court deny certiorari. Finally, in Buckingham, the Division successfully argued that there was no reason for the Supreme Court to review an interlocutory decision simply to determine whether the court of appeals correctly had applied controlling law to a particular set of facts involving the termination of a distributor. The only case in which the Court acted contrary to the Division's recommendation was Data General Corporation v. Digidyne Corporation and Fairchild Camera and Instrument Corporation, No. 84-761. In that case, the Court, with two justices dissenting, refused to review a court of appeals decision holding that a plaintiff alleging a per se illegal tie-in may establish anticompetitive forcing without proof that the defendant had market power in a relevant market.

In the three other cases, the Division volunteered amicus briefs addressing important antitrust policy issues. In two of these cases, the Division previously had submitted briefs responding to the Court's request for our views on whether it should grant certiorari. In Northwest Wholesale Stationery, Inc. v. Pacific Stationery and Printing Co., No. 83-1368, the Division successfully argued that the court of appeals erred in holding that the expulsion of a member of a purchasing cooperative without procedural safeguards is a per se violation of the Sherman Act. The Court also agreed that Section 4 of the Robinson-Patman Act does not afford cooperatives an exemption from per se liability under the Sherman Act. In Mitsubishi Motors Corporation v. Soler Chrysler-Plymouth, Inc., Nos. 83-1569, 83-1733, the Division unsuccessfully argued that the district court erred in referring a federal antitrust counterclaim to foreign arbitration pursuant to the terms of a contract between the parties. Finally, in Square D Company v. Niagara Frontier Tariff Bureau, No. 85-21, the Division successfully asked the Supreme Court to review a decision dismissing a damage action brought by shippers alleging that carriers had engaged in anticompetitive conduct that clearly violated a rate bureau agreement approved by the Interstate Commerce Commission.

The Antitrust Division was also active in the courts of appeal during 1985. Several cases are currently under submission and decisions are expected soon in Australia/Eastern U.S.A. Shipping Conference, et al. v. United States, Nos. 82-1516, 82-1683 (D.C. Circuit) (appeals from order granting in part and denying in part enforcement of civil investigative demands served on conferences of ocean carriers); United States v. Archer-Daniels-Midland Company and Nabisco Brands, Inc., No. 85-1050SI (appeal from order denying motion to dismiss); United States v. Broce, No. 83-2558 (10th Cir.) (en banc) (appeal from order denying motion to vacate guilty plea). There were also several important decisions in Division cases in 1985. For example, in United States v. American Airlines, Inc., No. 83-1831 (5th Cir., decided October 15, 1984), the court held that the government need not allege or prove an agreement to monopolize in order to establish an attempted joint monopolization in violation of Section 2 of the Sherman Act, 15 U.S.C. 2. Decisions were also given in United States v. Fischbach and Moore, Inc., et al., No. 84-3242 (3d Cir., decided December 10, 1984) (convictions for bid rigging affirmed); United States v. John Scher Presents, Inc., No. 84-5096 (3d Cir., decided October 11, 1984) (sentence placing corporation on probation on the condition that it donate money to charity held illegal); United States v. LTV Corporation, et al., No. 84-5625 (D.C. Cir., decided October 16, 1984) (appeal by non-party from order entering final judgment approving a merger dismissed); United States v. Wilson Van & Storage, et al., Nos. 84-5180, 84-6634 (4th Cir., decided February 13, 1985) (government successfully appealed from order granting a new trial); and United States v. Smith Grading and

Paving, Inc., et al., Nos. 80-5130(L), 80-5131 (4th Cir., decided April 22, 1985) (conviction for bid rigging affirmed); United States v. H. David Miller, Nos. 84-3051, 84-3052, 84-3053 (9th Cir., decided September 16, 1985)(price fixing convictions affirmed); and United States v. Raymond M. Korfant, No. 85-1046 (2nd Cir., decided August 26, 1985)(district court decision refusing to dismiss indictment affirmed).

As part of its expanded amicus program, the Division has also continued to review pending antitrust cases in the courts of appeal for possible amicus participation. One case in which the Division has filed amicus briefs, Mazda Distributors (Gulf), Inc., et al. v. Fox Motors, Inc., et al., No. 83-2125 (10th Cir.) is awaiting decision. Mazda involved a program by which Mazda allocated a popular high performance sports car to its dealers based on the number of Mazda sales made by each dealer during the preceding three-month period. Among other things, the Division argued in the brief that the district court erred in characterizing the Mazda allocation scheme as a per se unlawful tie-in arrangement.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Termination and prevention of private cartel behavior.....	222	202	$15,536	222	202	$16,282	222	202	$16,282	---	---	---

Long-Range Goal: To promote and maintain competition in the American economy by reducing private cartel behavior which restrains trade or commerce.

Major Objectives:

To promote and maintain competition, economic efficiency, and the enhancement of consumer welfare by using criminal and civil enforcement of Section 1 of the Sherman Act to terminate and prevent agreements that restrain competition.

To limit cartel behavior in industries subject to state or federal regulation to appropriately approved conduct where such approval has been authorized by statute; to prevent the continuation of cartel behavior once statutes authorizing the approval of such behavior have been repealed.

To educate the public, business, and legal professions with respect to the principles of antitrust laws and enforcement policies.

To maximize competition among those bidding under the government procurement program by coordination with and advice to other executive agencies on their property acquisition policies.

To operate a system for monitoring compliance with the affirmative obligations imposed on defendants by antitrust judgments.

To identify decrees or decree provisions that have become unnecessary or anticompetitive over time and seek modification or termination by court action.

Base Program Description: The purpose of this program is to deter private cartel-like behavior by investigating and litigating violations of Section 1 of the Sherman Act. A wide range of investigatory techniques are used, including staff and FBI investigations, civil investigative demands, and grand jury investigations to detect collusion and bid rigging. In addition, the Division monitors private activity and market performance through its litigating sections and field offices and employs professional economists to collect and analyze regional and national market data, with special emphasis on highly concentrated industries. Once

the government detects and successfully prosecutes, it must obtain appropriate relief and monitor the injunctive provisions of such relief to ensure that firms are abiding by those provisions. The Division's responsibility for this program is set forth in 28 C.F.R. §0.40(a).

The Division's vigorous prosecution of private horizontal restraints is essential. Cartel-type behavior has no redeeming economic virtues. Agreements among competitors entered into for the purpose of artificially restricting output and raising prices do not yield organizational efficiencies or economies of scale. Such agreements increase transaction costs and are dealt with severely. State and local law enforcement efforts, while contributing to the prevention of locally-oriented cartel behavior, cannot cope with the complex interstate nature of the conspiracies investigated and prosecuted by the Division. Intense nationwide enforcement of the federal antitrust laws serves to prevent the serious drain on the nation's economy that cartel behavior causes.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
Business Reviews				
Issued	20	28	28	28
Granted	18	28	---	---
Denied	1	---	---	---
Declined	1	---	---	---
Preliminary Inquiries				
Pending at start of year	258	268	263	263
Opened during the year	192	185	190	190
Closed during the year	182	190	190	190
Civil Investigative Demands				
Pending at start of year	24	35	28	28
Opened during the year	22	9	10	10
Closed during the year	11	16	10	10
Grand Juries				
Pending at start of year	99	119	125	130
Opened during the year	48	58	60	60
Closed during the year	28	52	55	55
Price Fixing Cases - Civil				
Pending at start of year	14	13	3	3
Opened during the year	7	2	4	4
Closed during the year	8	12	4	4
Price Fixing Cases - Criminal				
Pending at start of year	44	63	38	38
Opened during the year	96	43	43	43
Closed during the year	77	68	43	43

Item	1984	1985	Estimates 1986	Estimates 1987
Judgment Enforcement				
Divestitures	5	2	2	2
Compliance Reports	206	143	140	140
Judgment Modifications/Terminations	9	9	9	9

NOTE: Since it is often unclear during the early stages of an investigation the exact nature of the violation, Preliminary Inquiries and Civil Investigative Demands are consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure. Judgment Enforcement was a separate program prior to 1985; workload from prior years is consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure.

The Division's efforts in this program during the past five years have been highly successful. Investigations and prosecutions have revealed widespread efforts to corrupt and subvert the competitive bidding process in the United States, involving major national industries and affecting billions of dollars in commerce. A large number of cases have been prosecuted, involving many corporations and individuals. From December 14, 1979, when the Division began its current series of highway construction bid rigging prosecutions, through December 12, 1985, the Division has initiated 318 criminal prosecutions against 307 corporate defendants and 293 individual defendants in connection with conspiracies to rig bids on public highway and airport construction projects in 23 states. Felony prosecutions in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Iowa, Kansas, Kentucky, Maryland, Mississippi, Nebraska, New Jersey, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, and Virginia have charged violations of Section 1 of the Sherman Act, mail fraud, false declarations made before grand juries, false statements submitted to government agencies, obstruction of justice, and aiding and abetting. Two hundred fifty of these cases, involving 215 corporations and 209 individuals, have been resolved through guilty pleas. Ten cases, involving a total of 11 corporations and 13 individuals, are awaiting trial. In the 51 cases that have gone to trial, 26 corporations and 29 individuals were convicted, and 22 corporations and 28 individuals were acquitted. The courts have accepted, over the government's objection, nolo contendere pleas from 17 corporations and 12 individuals. Fines totaling approximately $61.6 million and aggregate jail sentences in excess of 55 years of actual incarceration have been imposed in these cases through December 12, 1985. Currently the Division is using 21 grand juries empaneled in 16 states to investigate possible bid rigging conspiracies in this industry.

State highway construction contracts are let for competitive bidding several times each year. Most state laws provide that a construction contract is to be awarded to the lowest bidder, following the opening of sealed bids. In cases in this area, it usually appears that the contractors agreed upon the low bidder prior to the contract letting. The prearranged low bidder would then win the job because the other contractors submitted intentionally high bids, often in the expectation of similar arrangements on other jobs. Sometimes payments are made in return for the high bids. In this way, the contractors avoid competition and significantly raise the price of the construction projects, many of which are federally funded in accordance with the Federal-Aid Highway Act, 23 U.S.C. §§ 101 et seq.

From May 11, 1982, through December 12, 1985, the Division initiated 22 criminal prosecutions against 21 corporations and 22 individuals in connection with conspiracies to rig bids on utility construction projects in Alabama, New Jersey, North Carolina, Pennsylvania, South Carolina, and Tennessee. These felony prosecutions charged violations of Section 1 of the Sherman Act, mail fraud and false statements involving construction on utility projects for work performed on water and wastewater facilities and distribution lines. The alleged illegal activities of the defendants and co-conspirators consisted of allocating among themselves utility construction projects by submitting collusive, noncompetitive and rigged bids, or withholding bids; designating the successful low bidder; submitting intentionally high or complementary bids; and submitting bid proposals and affidavits containing fraudulent statements and entries. Eighteen cases have been resolved in which 16 corporations and 15 individuals pleaded guilty. Four cases have gone to trial in which three companies and three individuals were convicted and two companies and three individuals

were acquitted. Twenty-four of the defendants were fined a total of $2.7 million, and 17 individuals have served an average of four months in jail. Currently the Division is using seven grand juries empaneled in six states to investigate possible utility bid rigging conspiracies.

The electrical construction industry is one of the focal points of the Division's criminal investigations. From May 11, 1983, through December 12, 1985, the Antitrust Division initiated 46 criminal prosecutions against 58 corporations and 51 individuals in connection with conspiracies to rig bids on various electrical construction projects in the states of California, Indiana, Kentucky, Maryland, Missouri, North Carolina, Ohio, Pennsylvania, and Washington. Thirty-four cases, involving 30 corporations and 25 individuals, have been resolved through guilty pleas. Trials in six cases resulted in guilty verdicts against five corporations and eight individuals; acquittals of five corporations and seven individuals; and a mistrial was declared against one individual. Eight companies and three individuals pleaded nolo contendere. Four cases, involving six corporations and five individuals, await trial. Fines totaling $10.5 million and 4 years aggregate incarceration have been imposed in these cases. The Division is continuing these investigations with 18 grand juries impaneled in 13 states.

For the period October 1, 1984, through September 30, 1985, the Division initiated 30 criminal prosecutions against 32 corporations and 24 individuals in connection with conspiracies to rig bids on highway and airport construction, utility construction and electrical construction projects in 13 states. Twenty-one cases, involving 17 corporations and 11 individuals, have been resolved through guilty pleas and three cases, involving four corporations and three individuals, have been resolved through nolo contendere pleas. Five cases, involving nine corporations and eight individuals await trial. Twenty-nine defendants have been fined a total of approximately $2.5 million and one individual was sentenced to serve 120 days in jail. In addition, during this period, 41 defendants from prior cases were fined a total of approximately $2 million and nine individuals were sentenced to serve an average of 103 days in jail.

During the past year, the Division has been active in pursuing criminal investigations into bid rigging, price fixing and market allocation on government procurement contracts. At present, there are 43 attorneys assigned to 14 grand jury investigations, which focus specifically on defense procurement. Four other matters, relating to DOD contracting, are at the preliminary inquiry stage. With respect to non-defense government procurement, the Division is currently conducting grand jury investigations, involving 12 attorneys, as well as one preliminary inquiry. Moreover, because federal procurement contracts tend to be put out for bidding on a regional, or even state-by-state basis, a number of these investigations can be expected to develop leads which will enable us to open investigations into the same subject matter in other jurisdictions. This pattern was most evident in the highway construction industry where, with Department of Transportation (DOT) assistance, grand jury investigations were conducted in 36 states.

Finally, it should be noted, that our attorneys have been actively involved throughout the country in working with Defense Department personnel and Offices of the Inspectors General for other federal agencies both to assist in detecting collusion and to develop sound bidding practices. Most recently, we have participated in programs for the Army auditors, Army Criminal Investigation Command, Military Traffic Management Command, Army Logistics Command, Defense Supply, DOT and the Environmental Protection Agency. As a direct result of our participation in these programs, government purchasing officials have a heightened awareness of collusive bidding and pricing practices and are referring matters to us for investigation in increasing numbers. We can expect this pattern to continue so long as we have sufficient resources to continue to participate in these educational programs.

Under this program, the Division is increasing its activity in more consumer-oriented markets. A representative selection of matters includes the following:

U.S. v. Industrial Waste Service, Inc., et al.

On November 7, 1985, a federal grand jury in Fort Lauderdale, Florida, returned a two-count felony indictment charging Industrial Waste Service, Inc. and two individuals with allocating customers of waste disposal service in two South Florida counties and

1003

charging one of the individuals with obstruction of justice. The indictment charged that, beginning as early as 1971 and continuing to the present, the defendants conspired with others, in violation of Section 1 of the Sherman Act, to allocate customers of waste disposal service in Dade and Broward Counties. The second count charged that one individual corruptly endeavored to obstruct justice by concealing, altering and fabricating substitutes for documents subpoenaed by the grand jury, which was investigating possible antitrust violations in the waste disposal service industry in South Florida. Trial is scheduled to commence on July 7, 1986.

U.S. v. Automotive Safety, Inc., et al. and U.S. v. Kay Wheel Sales Co.

On February 25, 1985 and April 29, 1985, the Division filed these one-count felony informations charging Automotive Safety, Inc. and Kay Wheel Sales Co. with price fixing in connection with the sale of passenger automobile and light truck replacement wheels in several mid-Atlantic states from the early 1970's until November 1981. The defendants pled guilty and were fined a total of $250,000.

U.S. v. Maccaferri Gabions Manufacturing Company, Inc. and U.S. v. Bekaert Steel Wire Corporation, et al.

Maccaferri Gabions Manufacturing Company, Inc., a one-count felony information filed March 5, 1985, and Bekaert Steel Wire Corporation, a one-count felony indictment filed March 8, 1985, charged three corporations and two individuals with price fixing and market division in the sale of gabions in the United States. Gabions are wire structures which, when filled with stones, are used in river training, flood control, landscaping and erosion control applications. The defendants were charged with participating in a conspiracy to fix prices at which gabions were sold and to divide geographically the United States market for gabions during the period 1976 through at least February 1981, in violation of Section 1 of the Sherman Act. Two corporations and one individual pled guilty and were fined $675,000.

U.S. v. R.C. Cobb, Inc. and U.S. v. Consolidated Theatres, Inc.

On January 22, 1985, the Division filed two felony informations charging two motion picture exhibition companies with conspiring to eliminate competition for licenses to show films in Birmingham, Huntsville, and Tuscaloosa, Alabama. The informations charged that, beginning in the fall of 1983 and continuing into July 1984, the defendants participated in a split agreement, a type of cartel agreement in which motion picture exhibitors meet and agree among themselves as to which of them will have the right to negotiate, without competition from the other split participants, with a distributor for a license to exhibit a particular motion picture, in violation of Section 1 of the Sherman Act. The defendants pled guilty and were fined a total of $175,000. These two informations were the Department of Justice's first criminal prosecutions of participants in a split agreement. Two companion civil cases and proposed consent decrees were filed simultaneously with the criminal informations. Final judgments were entered on May 29, 1985.

U.S. v. GCC Theatres, Inc., U.S. v. Dickinson Operating Co., Inc. and U.S. v. Crown Cinema Corporation

On August 28, 1985, October 9, 1985 and October 21, 1985, the Division filed three felony informations charging a subsidiary of General Cinema Corporation and two other motion picture exhibition companies with participating in split agreements to eliminate competition for licenses to show films in Indiana, Illinois and Kansas. The defendants pled guilty and were fined a total of approximately $1 million.

U.S. v. The Stop and Shop Companies, Inc. and Waldbaum, Inc.

On August 15, 1984, a one-count felony indictment was returned against two supermarket chains charging them with participating in a conspiracy to fix prices of grocery products and meat items for which manufacturers' coupons were issued by terminating the offer of double-value coupons in Connecticut. The defendants pled nolo contendere and were fined a total of $550,000 on June 4, 1985.

U.S. v. Wall Industries, Inc., et al., U.S. v. Columbian Rope Company and U.S. v. Tubbs Cordage Company

On May 22, 1985, the Division obtained an indictment and filed two felony informations in U.S. District Court in San Francisco, charging four corporations and four individuals with price fixing in connection with cordage sales in the United States. Cordage includes all sizes of rope, twine, wire rope centers, strapping, welt cord, and oakum, and is made from manila, sisal, cotton, nylon, polyester, polypropylene, or any combination of these fibers. The indictment and the information against Columbian Rope Company charged that, beginning as early as January 1977 and continuing until about September 1983, the defendants and co-conspirators engaged in a conspiracy to fix the prices and terms and conditions of sale of cordage in the United States. The information against Tubbs Cordage Company charged Tubbs with participating in the same conspiracy from January 1980 until about September 1983. Major purchasers of cordage manufactured and sold by the defendants and co-conspirators include the shipping industry, oil exploration industry, commercial fishing industry, wholesale hardware industry, and mill and industrial supply industry. Between January 1977 and September 1983, total sales of cordage by the defendant and co-conspirator corporations exceeded $500 million. On September 13, 1985, the defendants pled nolo contendere to price fixing on the sale of cordage and were fined a total of $875,000.

U.S. v. Rocky Mountain Motor Tariff Bureau, Inc.

On May 10, 1985, the Division filed a proposed consent decree that would terminate a civil antitrust suit against Rocky Mountain Motor Tariff Bureau, Inc. of Denver, Colorado. The complaint, filed August 28, 1984, alleged that the defendant rate bureau engaged in a conspiracy to fix, raise, and maintain motor carrier rates for the transportation between points in the U.S. of certain commodities that are exempt from Interstate Commerce Commission jurisdiction. Exempt commodities are generally products that have undergone little, if any, processing or manufacturing, and include agricultural products, seafood, and timber products. The proposed decree prohibits the defendant from submitting to, or allowing any of its rate committees or subcommittees to vote on or consider, any rate proposal for the transportation of exempt commodities. The defendant is also required to take certain affirmative steps to assure compliance with the Sherman Act and the terms of the decree. Final judgment was entered on September 20, 1985.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Preservation of competitive market structure	164	161	$15,820	164	161	$16,418	164	161	$16,418	---	---	---

Long-Range Goal: To enhance the ability of markets to function efficiently by preventing mergers and acquisitions that may lessen competition and by preventing and dissipating monopoly power acquired or maintained by purposeful conduct inconsistent with competition on the merits.

Major Objectives:

To implement a coherent merger enforcement program which prevents mergers that threaten to reduce competition in specific markets while minimizing governmental interference with transactions having no significant potential for harm.

To enforce effectively the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and propose changes where requirements are too burdensome and could be relaxed with no loss to the efficacy of the Division's merger screening program.

To utilize fully the expanded statutory authority provided the Division in the Antitrust Procedural Improvements Act of 1980.

To develop and carry out managerial and procedural reforms that will allow complex cases to be brought to conclusion more expeditiously.

To operate a system for monitoring compliance with the affirmative obligations imposed on defendants by antitrust judgments.

To identify decrees or decree provisions that have become unnecessary or anticompetitive over time and seek modification or termination by court action.

Base Program Description: The primary purpose of this program is to prevent or dissipate unlawfully acquired or maintained monopoly power, and to enjoin mergers that may lessen competition. Economists are in general agreement that the potential economic benefits of preventing monopolization of, and undue concentration in, particular markets are substantial. The Division promotes and maintains the competitive structure of the national economy through investigation and litigation of instances in which monopoly power is sought, attained, or maintained through noncompetitive conduct and by seeking injunctive relief against mergers and acquisitions that may tend to eliminate competition. The principal statutes enforced under this program are Section 2 of the Sherman Act and Section 7 of the Clayton Act. The Division's responsibility for this enforcement program is found in 28 C.F.R. §0.40(a).

To realize maximum benefits from the Division's civil enforcement efforts, antitrust litigation resolved in favor of the government must be given full effect through appropriate injunctive relief, and firms subject to antitrust judgments must be monitored to assure that injunctive provisions are met. The enforcement program is authorized by 28 C.F.R. §0.40(a). The Division has also established a program to review existing decrees and to seek the elimination of those that have become anticompetitive or that otherwise no longer serve the public interest.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
Premerger Notifications	1,339	1,604	1,600	1,600
Preliminary Inquiries				
Pending at start of year	258	268	263	263
Opened during the year	192	185	190	190
Closed during the year	182	190	190	190
Civil Investigative Demands				
Pending at start of year	24	35	28	28
Opened during the year	22	9	10	10
Closed during the year	11	16	10	10
Oligopoly and Monopoly Cases				
Pending at start of year	5	5	5	5
Opened during the year	---	---	2	2
Closed during the year	---	---	2	2

1006

Item	1984	1985	Estimates 1986	1987
Merger Cases				
Pending at start of year	8	9	6	6
Opened during the year	5	7	5	5
Closed during the year	4	10	5	5
Judgment Enforcement				
Divestitures	5	2	2	2
Compliance Reports	206	144	144	144
Judgment Modifications/Terminations	9	8	8	8

NOTE: Since it is often unclear during the early stages of an investigation the exact nature of the violation, Preliminary Inquiries and Civil Investigative Demands are consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure. Judgment Enforcement was a separate program prior to 1985; workload from prior years is consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure.

Between October 1, 1984, and September 30, 1985, the Division reviewed 1,604 reports of mergers and acquisitions filed under the Hart-Scott-Rodino Act. It has investigated 106 of those matters to determine whether they might lead to any lessening of competition in the affected markets. An automated screening process, designed to identify mergers not likely to present competitive problems, was introduced in 1982 and has been refined and proven effective. This permits scarce investigative resources to be concentrated on transactions that require in-depth review.

A representative selection of matters to preserve competitive market structure includes the following:

U.S. v. Baxter Travenol Laboratories, Inc., et al.

On November 22, 1985, the Division filed a civil antitrust suit in U.S. District Court in Chicago, challenging Baxter Travenol Laboratories, Inc.'s planned acquisition of American Hospital Supply Corporation. A proposed consent decree that would settle the suit was filed simultaneously, and will become final upon approval by the court, following a 60-day waiting period for public comment. The suit alleges that the acquisition of American Hospital Supply by Baxter Travenol would likely lessen competition in five health-care product markets: parenteral solutions, fluid administration sets, electronic flow control devices, therapeutic hemapheresis equipment, and surgeons' and procedure gloves. Baxter Travenol and American Hospital Supply have entered into a series of divestiture agreements that should resolve the competitive problems that otherwise would arise from the acquisition. The three largest manufacturers of parenteral solutions account for about 95% of the $1 billion market for such solutions in the United States. Baxter Travenol and American Hospital Supply have the largest and third largest shares of this market, approximately 50% and 16%, respectively. The consent decree ensures that the competitive problems raised by this transaction will be resolved.

U.S. v. Allied Corporation

On August 2, 1985, the Division filed a consent decree, along with a complaint alleging that the merger of the air turbine starter businesses of Allied and Signal Companies, Inc., would violate Section 7 of the Clayton Act. Under the agreement reached with the Division, Allied will sell its air turbine starter business to resolve antitrust concerns resulting from the proposed merger. As a result of the agreement, the Division will not seek to block Allied's acquisition of 20 percent of Signal's stock or take any other steps to prevent the combination of the two firms. The combined assets of the merged firm are approximately $5 billion. An air turbine starter is a pneumatic motor used to start the large gas turbine engines on most commercial aircraft as well as many

military airplanes and helicopters. The energy source for an air turbine starter is high pressure air from another operating engine located either on the aircraft or on a ground cart. Signal, through its Garrett Pneumatic Systems Division in Phoenix, Arizona, has long been the leading producer of air turbine starters. Allied's Bendix Fluid Power Division, located in Utica, New York, is the second largest producer and had air turbine starter sales of about $9 million in 1984. The two firms together accounted for more than 70 percent of all air turbine starter sales in 1984. Moreover, Allied and Signal are the only approved suppliers of air turbine starters on certain commercial and military aircraft. Under the consent decree, Allied sold its air turbine starter business by the end of 1985. Final judgment was entered on November 4, 1985.

U.S. v. Industrial Asphalt, et al.

On July 11, 1985, the Division announced it had advised Industrial Asphalt, a joint venture headquartered in Van Nuys, California, that it intends to file an antitrust suit challenging the formation of the venture. The joint venture, formed December 20, 1983, resulted in the merger of two competing sellers of asphalt concrete, Industrial Asphalt, Inc. and Huntmix, Inc., both of Van Nuys, California. Asphalt concrete is commonly used in the paving of roads, parking lots, and airport runways. The suit, filed in U.S. District Court in Los Angeles on July 15, 1985, alleges that the merger violates Section 7 of the Clayton Act and Section 1 of the Sherman Act because it may substantially lessen competition in the manufacture and sale of asphalt concrete in two areas of Southern California: the greater Los Angeles area and western San Diego County. Prior to the merger, Industrial Asphalt was the largest and Huntmix was one of the three largest manufacturers of asphalt concrete in the greater Los Angeles area. In western San Diego County, Industrial Asphalt and Huntmix were two of the five largest asphalt concrete manufacturers. The production of asphalt concrete is concentrated, with the four largest producers currently accounting for over 70 percent of capacity and production in the greater Los Angeles area and over 75 percent in western San Diego County.

The suit names as defendants the joint venture, Industrial Asphalt; Huntmix; Coast Asphalt, Inc., of New York, New York, successor to Industrial Asphalt Inc.; and CalMat of Los Angeles, California. When the joint venture was formed, CalMat, a 50 percent owner of Huntmix, provided to the joint venture leases on land containing aggregate--rock, sand, and gravel--used in the manufacture of asphalt concrete. The suit seeks the divestiture of certain assets in both markets in which there are competitive problems, the greater Los Angeles area and western San Diego County. It also requests that the court enjoin Industrial Asphalt and Huntmix from acquiring an interest in other asphalt concrete manufacturing firms for 10 years without the prior approval of the Department or the court.

U.S. v. Bell Resources Ltd., et al.

On August 9, 1985, the Division, at the request of the Federal Trade Commission, filed a civil suit in the Southern District of New York charging Weeks Petroleum Ltd., Bell Resources Ltd., and one individual with violating the premerger notification provisions of the Hart-Scott-Rodino Act. Weeks Petroleum, a Bermuda corporation with offices in New York City, is engaged in exploring, developing, and owning oil and gas properties worldwide. Holmes a Court is chairman of the board of Bell Resources, a diversified company based in Melbourne, Australia, which owns 93.6 percent of the voting stock of Weeks Petroleum. His principal place of business is in Perth, Australia. The complaint charges that Weeks Petroleum, acting under the authorization and direction of Bell Resources and Holmes a Court, began acquiring shares of Asarco Incorporated (one of the world's major producers of copper) on September 27, 1984. By November 21, 1984, Weeks Petroleum had acquired Asarco stock worth in excess of $15 million, and it continued to acquire stock between November 21, 1984, and February 28, 1985. Weeks Petroleum filed a Hart-Scott-Rodino notification and report form on March 8, 1985, stating an intention to acquire more than 25 percent of Asarco's stock. The waiting period relating to that proposed acquisition expired on April 7, 1985.

The complaint asserts that the Hart-Scott-Rodino Act required notification and a waiting period prior to the acquisition of more than $15 million of Asarco stock, and alleges that the defendants did not comply with those requirements. According to the complaint, the defendants were in violation of the act from November 21, 1984, through at least April 7, 1985. The complaint further alleges that the acquisition of Asarco stock was not made solely for the purpose of investment, and therefore did not

qualify for exemption from the Hart-Scott-Rodino Act's requirements. The complaint seeks the maximum civil penalty of $10,000 per day for the period during which the defendants were alleged to be in violation of the statute and an injunction against each of the defendants to prevent further violations.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Policy analysis, legislation and training	92	91	$5,627	92	91	$5,328	92	91	$5,328	---	---	---

Long-Range Goal: To ensure that the objective of increased competition in the marketplace is vigorously promoted in new legislation, and to enhance the quality of litigation and investigative activities through economic and statistical analysis, research of major legal issues, and improved training for Division attorneys and economists.

Major Objectives:

To develop sound economic bases for investigations and litigation to ensure that the enforcement program is beneficial to the economy.

To encourage the submission and passage of legislation promoting a competitive economy and discourage legislation granting unjustified exemptions from the antitrust laws or hampering their enforcement.

To promote substantive and long-range planning in the allocation of resources among competing programs and the development of new or modified program initiatives.

To enhance the litigation skills of Division attorneys through continuing education and career development. The Division's goal is to have 50 percent of the attorneys participate in some form of training or continuing legal education each year, in order to stay abreast of defense counsel in highly complex legal and economic matters.

Base Program Description: Enforcement of the antitrust laws is unique in that precisely what conduct and particularly which mergers and acquisitions are prohibited by those laws can often be determined only after careful economic analysis. Errors in antitrust enforcement can have profound consequences for the affected industries and for the public at large. Thus, professional economists are a key adjunct to the Division's legal staff. Equally important is careful economic attention to relief issues, as evidenced by the intricacies of the recent restructuring of the Bell system. Finally, hundreds of legislative proposals must be considered by the Department each year; many of these issues have serious economic and competitive implications. The Division is the Department's sole resource for dealing with such issues and significantly contributes to Administration policy. General authority for these programs is found in 28 C.F.R. §0.40.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
Congressional Appearances	16	14	16	16
White House Referrals	363	169	300	300

Item	1984	1985	Estimates 1986	1987
Congressional Correspondence.....	398	245	300	300
Congressional and OMB Requests for Comments.....	316	235	225	225
Economic Policy Office Special Studies.....	59	71	70	70

Economists provide early evaluation of the economic significance of business activities proposed for investigation and preliminary analysis of proposed mergers and acquisitions, thus determining early the desirability of using limited resources to conduct such investigations. Economists identify and focus the economic issues involved in an investigation or case, assist in the development of the theory of the case, identify and present data necessary to support the Division's position, and assist in development of trial strategy relating to the economic issues. Specifically, economists evaluate the competitive effects of business activities proposed for investigation; analyze proposed mergers and acquisitions by determining product and geographic markets, identifying potential entrants, and isolating competitive effects; define relevant markets for studying the structure, conduct, and performance of industries and analyze the economic significance of such structure, conduct, and performance; estimate damages sustained by the federal government in its procurement of goods and services because of price fixing and other illegal activities; participate in the preparation of relief necessary to restore competition; and analyze the economic effect of proposed consent decree modifications.

Division economists also use large data bases, requiring sophisticated management systems, to monitor cases, and research and analyze policy issues. Data bases provide market share and financial information on individual companies and industries. Special software packages are used to perform complex statistical studies of the data. Queries are written against these data bases to generate routine management reports and to analyze policy issues. Economists use data bases which provide large amounts of market share and financial information on individual companies and industries. Computers are used to access these data bases and special software packages are used to perform complex statistical studies of the data. A computer program prepares microfiche reports directly from these tapes. Computers are also used for modeling studies based on simple theoretical models while others realistically simulate entire industries. When graphs or charts are needed for a formal presentation, they are drawn by a computer. A project to integrate systems has resulted in instruction manuals for the economists which will facilitate the use of the systems and make them available "on line" for ready access.

The second part of the Antitrust Bibliography, which includes economic research projects and economists' memoranda, is completed. The first part, which was completed in 1983 and is updated periodically, includes over 5,000 entries of articles, books and other publications in the fields of microeconomics, applied microeconomics, antitrust and regulatory economics, and industry studies. Also included are specialized bibliographies prepared by other government agencies and institutions containing subject matter of interest to the Antitrust Division. With the inclusion of the economic research projects and economists' memoranda, the bibliography will provide the staff with a more complete listing of materials relevant to the Division's enforcement program. Also the list of economist testimony, first prepared for the Antitrust Division Manual in 1979, has been revised and updated. The file includes the testimony of Division economists and some of the testimony of economists for the defendants or other parties. The list, which is in two parts, gives the testimony by name of the economist and by type of matter.

Beginning in 1985, economists used a list prepared at the beginning of each Congressional session of the main issues likely to arise during the year. Such a list allows staff to develop analyses of major issues on the current legislative agenda. As specific queries and requests come in, they will be answered with a well-developed analysis already on hand. This program assists in linking the legislative agenda to the competition advocacy process which generates substantial policy analysis of legislative issues. A number of legislative issues which normally arise in non-antitrust policy areas now benefit from more extensive economic analysis. Economists play a useful role in describing the welfare effects of, for example, changes in civil procedure (done in the recent proposal to amend Rule 68 of the Federal Rules of Civil Procedure), changes in techniques for the detection of various criminal

1010

activities, and changes in rules for the compensation of plaintiffs, all of which have implications for antitrust policy. Even rule changes that are strictly procedural often have significant economic implications.

Responsibility for the Division's legislative program entails drafting and supporting legislative proposals to amend the antitrust laws or other statutes affecting competition; analyzing proposed legislation, draft reports, and testimony prepared by other agencies; and submitting comments on such materials to other Divisions, OMB, and Congress. It also includes preparing testimony to be given on behalf of the Department and the Administration, and coordinating responses to correspondence or other inquiries received from Congress or forwarded from the White House for reply. The Division has testified in favor of removing geographic and product-line restrictions on bank activities and will continue its activity as Congress considers a variety of financial services regulatory reform proposals, including the elimination of interstate banking restrictions; the elimination of restrictions on bank and bank holding companies into other fields such as securities; the Vice President's regulatory reform package, including the reorganization of the financial service regulators; and a variety of regulatory initiatives. To implement recommendations of the Vice President's Task Force on Regulation of Financial Services, the Division has drafted lengthy, comprehensive proposed legislation consolidating antitrust review authority over bank mergers.

The Division worked closely with Congress on passage of the Local Government Antitrust Act of 1984. Supported by the Administration and signed into law on October 24, 1984, the Act prohibits the recovery of antitrust damages from local governments or their officials, and from private parties whose conduct qualifies as official action directed by a local government. The statute, which does not affect the availability of public and private injunctive remedies, frees municipalities from the fear that costly treble damage awards will be awarded against them in private antitrust suits. The development of the proposed Technology and Innovation Act of 1985 has been a major responsibility of the Division. The Act, which is a key element of the Administration's program to make American businesses more competitive in international trade, addresses problems associated with the licensing of patents, the doctrine of patent misuse, and the protection of process patents.

Among the most important ongoing legislative efforts of the Division are preparation and support of the Administration's antitrust reform proposals. As an outgrowth of the EPC-DPC Working Group on Antitrust Review, the Administration will propose changes in merger law, the treble damage remedy, the law on interlocking directorates, and new antitrust exemptions for industries injured by import competition. The Division provided the major staff resources to the Working Group, and has drafted most of the legislation which the Administration will propose. Substantial efforts to support this legislation will be required. The results will be timely and crucial modifications of antitrust law that will help U.S. firms remain competitive in world-wide markets.

The Division has assumed major responsibility for developing the Department's position on proposed legislation respecting sports franchise relocation and other sports league matters. The Division has also redrafted sections of the proposed Pipeline Deregulation legislation. The Division serves on the Department task force that oversees implementation of the Equal Access to Justice Act. The task force seeks to effectuate the legislative purpose of the Act without imposing unintended constraints on the Department's activities.

Other legislative activity in 1985 has involved revision of crime control statutes, tariff legislation, patent rights in government research and development contracts, confidentiality of National Science Foundation and Commerce Department survey data, and elimination of certain reporting requirements imposed on the Division by statute. We also developed for the Department a package of legislative proposals for submission to the 99th Congress, and assisted OMB in preparing a report to Congress on improvements in government procurement, particularly focusing on professional services contracting. The central goal of these legislative efforts has been to promote policies that deter cartel behavior, eliminate unnecessary regulation, and encourage procompetitive conduct, particularly in situations where competition may have been inhibited in the past. One further development in the legislative area was the establishment during 1984 of a computerized data and tracking management system for congressional and White House correspondence. A similar system for managing reports on proposed legislation has been installed during 1985. These systems eliminate the need for several manual entries of the same data, permit certain types of information (such as workload statistics) to be collected more rapidly and accurately, and also greatly facilitate responding to Freedom of Information Act requests.

1011

Division attorneys and economists enhanced litigation skills by participating in the Attorney General's Advocacy Institute, the National Institute for Trial Advocacy, and the Columbia University Trial Advocacy program which the Division assisted in implementing in 1976.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Competition advocacy program.....	59	59	$2,820	127	127	$6,401	127	127	$6,401	---	---	---

Long-Range Goal: To eliminate unnecessary or counterproductive governmental interference with free market forces and seek adoption of the least anticompetitive means of achieving overriding social purposes.

Major Objectives:

To achieve greater competition in federally regulated industries.

To protect and promote competition in industries which have recently been deregulated.

To minimize the prohibitions against and restrictions of competition under State regulation.

To stimulate competition in the delivery of professional services.

To reduce or eliminate antitrust immunities enjoyed by particular industries.

To encourage competition as new technologies are developed.

To prevent or minimize protectionist restrictions on free and fair international competition.

Base Program Description: As an advocate of competition, the Antitrust Division seeks the elimination of unnecessary regulation and adoption of the least anticompetitive means of achieving a sound national economy through participation in proceedings before regulatory agencies and in executive branch deliberations relating to competition policy. Authority for these various activities is found in 28 C.F.R. §0.40; the Federal Coal Leasing Amendments Act of 1976; the Deepwater Port Act of 1974, 33 U.S.C. §1506(a); the Atomic Energy Act of 1954, 42 U.S.C. §2135; the Federal Aviation Act, 49 U.S.C. §§1378-84; the 1966 Bank Merger Act, 12 U.S.C. §1828; the Bank Holding Company Act, 12 U.S.C. §1842; the National Housing Act, 12 U.S.C. §1730a; the Outer Continental Shelf Lands Act, 43 U.S.C. §1331, et seq. Resources transferred from the Interstate Commerce Commission will be used in these activities.

Accomplishments and Workload:

Item	1984	1985	Estimates 1986	Estimates 1987
PARTICIPATION IN BANK MERGER PROCEEDINGS				
Total Screenings 1/.....	1,855	1,762	1,760	1,760
Savings and Loan Letters.....	8	11	11	11
Bank Holding Letters.....	3	3	3	3
Merger Letters.....	909	748	750	750

Item	1984	1985	Estimates 1986	Estimates 1987
PARTICIPATION IN REGULATORY AGENCY PROCEEDINGS				
Department of Transportation (DOT)	4	4	---	---
Federal Communications Commission (FCC)	17	9	---	---
Federal Deposit Insurance Corporation (FDIC)	2	---	---	---
Federal Energy Regulatory Commission (FERC)	---	2	---	---
Federal Home Loan Bank Board (FHLBB)	1	1	---	---
Federal Maritime Commission (FMC)	3	3	---	---
Federal Reserve Board (FRB)	1	3	---	---
Interstate Commerce Commission (ICC)	23	8	---	---
Postal Rate Commission (PRC)	5	1	---	---
Securities and Exchange Commission (SEC)	4	2	---	---
Other 2/	4	1	---	---
Total	64	34 3/	40 4/	40 4/

1/ Total screenings include review of bank holding company activities in addition to savings and loan letters, bank holding letters, and merger letters.
2/ Other includes case filings with the Commodity Futures Trading Commission, the Bureau of Alcohol, Tobacco and Firearms, and the Postal Service Governors.
3/ Increasing deregulation has contributed to the decrease in participation in regulatory agency proceedings. Resources are used to promote competition in deregulated industries and to ensure that the remaining regulations have the least adverse impact on competition.
4/ The Division cannot estimate by particular agency where intervention will prove fruitful in 1986 and 1987.

A representative selection of significant matters in which the Division has been recently involved to enhance competition follows:

The Division has new responsibility under the National Cooperative Research Act of 1984 for review and publication in the Federal Register of filings of parties to joint research and development ventures. Under the Act, parties may limit their possible antitrust damage exposure to actual, as opposed to treble, damages by filing a notification with the Department of Justice and the Federal Trade Commission. The Act promotes joint research and development ventures among American firms by (1) directing that when antitrust complaints are filed against such ventures, courts must apply a "rule of reason" rather than a rule of "per se" illegality; (2) providing that if antitrust enforcement agencies are notified of a venture's existence, then the plaintiff's recovery in any subsequent antitrust case against the venture will be limited to actual (as opposed to treble) damages, plus interest and a reasonable attorney's fee; and (3) allowing defendants to recover attorney's fees if plaintiffs act frivolously, unreasonably, or in bad faith. Cooperative research and development efforts may improve productivity, bring better products to consumers sooner and at lower cost, and enable American business and industry to keep pace with foreign competitors in a world increasingly dependent on technological innovation. By significantly improving the legal climate, the National Cooperative Research Act should stimulate innovative research and development by the private sector.

On January 15, 1985, the Division filed comments with the Securities and Exchange Commission supporting exchange trading of over-the-counter stocks. Such trading should increase competition and narrow price spreads for these stocks without causing any adverse impact on securities trading markets or other aspects of the public interest.

On March 29, 1985, the Division filed comments urging the Federal Reserve Board to permit bank holding companies to engage in real estate investment activities. Permitting bank holding companies to engage in these and other financially related activities should

1013

result in significant consumer benefits. The comments were filed in response to the Board's request for public comment on whether it should initiate rulemaking concerning real estate investment activities by bank holding companies. The Board also asked whether it should prohibit holding company state banks that are authorized by state law to engage in the activities from conducting them indirectly through a nonbank subsidiary. The comments recognized that participation by banking organizations in various new activities may raise regulatory concerns. Nevertheless, these concerns can and should be dealt with by restrictions aimed at particular problem areas rather than by prohibiting bank holding companies from engaging in the activities.

On April 8, 1985, the Division filed comments recommending that the Federal Communications Commission (FCC) require local telephone companies to use "ballot and allocation" procedures when advising consumers that they may choose their long-distance company. Prior to these comments, all of the local telephone companies, except Northwestern Bell, sent general information to their customers about their right to choose a primary long-distance company, and automatically routed to AT&T those customers who failed to designate a carrier. Unlike default, ballot and allocation procedures give the competing long-distance telephone carriers an incentive to inform consumers about their options--an outcome that promotes welfare by maximizing consumer choice. Furthermore, Northwestern Bell's ballot and allocation system appears to be more consistent than other local companies' default procedures with the policy of the Communications Act of 1934. For these reasons, the comments recommend that the FCC require all local companies to employ a ballot and allocation system in assigning primary long-distance companies to consumers. On May 31, 1985, the FCC adopted the ballot and allocation system to advise consumers that they may choose their long-distance company. This action should go far to foster competition in long-distance telecommunications by giving long-distance carriers an incentive to inform consumers about their options.

On November 4, 1985, the Division filed comments with the Federal Deposit Insurance Corporation (FDIC) supporting the effort to update its existing policy statement on bank mergers but expressing concern about the detail and clarity. The statement, which would replace one the FDIC issued in 1980, is intended to reflect more accurately the competitive analysis applied by the FDIC. One policy change is recognizing that a variety of financial sources provided by commercial banks constitute independent and distinct product markets, often with different types of competitors. The Division supported the change but urged the FDIC to state more clearly how the multiple-products approach will be applied and to give more detail on: (1) standards for market concentration levels; (2) factors considered in assessing the competitive effects of a merger; and (3) the FDIC's policy on potential competition.

Statutory responsibilities under the Export Trading Company Act of 1982 have been placed on the Division. The Department of Justice, with the Department of Commerce, must review applications for Export Trade Certificates of Review. A certificate grants limited antitrust immunity and provides increased certainty in the application of the antitrust laws to export trade. The Division must review applications to determine whether the proposed conduct will substantially lessen competition within the United States, raise domestic prices, or otherwise violate a standard of the Act. From the effective date of the Act through December 1985, 73 applications were transmitted to the Division.

Staff members have been deeply involved in interagency groups dealing with international shipping, aviation and motor carrier issues. These have included detailed consultations with the British government concerning law enforcement and aviation issues, and consultations with the Consultative Shipping Group with the goal of a multilateral agreement to assure that ocean carriers will be able to continue to compete freely throughout the world. The staff has also participated in bilateral aviation talks with Japan and has, at the request of the U.S. delegation, investigated and reported upon the competitive implications of the application of a Japanese air cargo carrier to enter the U.S.-Japan trade. The Division participated in antitrust consultations with the Commission of the European Communities and with Japan, discussed interpretation and implementation of the Memorandum of Understanding entered into with Canada, responded to a continuous stream of requests from competition agencies in other countries, and participated in or arranged meetings between U.S. and foreign competition officials to discuss antitrust matters. Also the Division monitored several meetings of industry groups that assist the International Energy Agency in carrying out its duties to plan for and respond to international energy emergencies. Other international activity included heading the U.S. delegation to the Organization for Economic Cooperation and Development (OECD) Committee on Restrictive Business Practices and preparation of the U.S. Annual Report. The Division provided expert delegates to other working parties of the OECD Committee. We headed the U.S. delegation to the United

1014

Nations Conference to review progress in the five years since the adoption of the U.N. Code on Restrictive Business Practices, as well as the delegations to the third and fourth meetings of the Intergovernmental Group of Experts established by the Code.

Staff members have been actively involved in the interagency trade policy process, particularly in areas in which antitrust issues are present, the Division has industry expertise from its other activities, or the Division's analytical abilities appear particularly relevant. For example, Division staff participated in the interagency task force considering a request for import restrictions under §201 of the Trade Act in the footwear industry, helping to analyze the effect of reduced import competition on consumer welfare. Division staff participated in a variety of negotiations with the Japanese government aimed at opening Japanese markets in such areas as semiconductors, legal services, and forest products.

Because of the nature of recently deregulated transportation industries, new projects can be anticipated. For instance, the Division continously receives allegations of anticompetitive activity in the air and truck industries. The steady stream of such reports may result in finding an increasing number of antitrust violations in these industries. In addition, we will continue to monitor and comment on regulatory proceedings that involve competitive issues at the ICC, DOT, and FMC. The Division expects to continue to press for deregulation and to ensure that those regulations that remain have the least adverse impact on competition. There will be a continuous need for participation at the ICC as motor carriers and railroads step up their efforts to test the boundaries of the Motor Carrier Act of 1980 and the Staggers Rail Act and at DOT where corporate bankruptcies and traffic congestion in the airline industry generate renewed attempts for protective DOT rules.

	1986 As Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Management and administration.....	89	95	$4,051	89	95	$4,263	89	95	$4,263	---	---	---

Long-Range Goal: To provide effective and efficient management and policy direction of all Antitrust Division activities.

Major Objectives:

To provide policy direction and leadership for antitrust enforcement personnel.

To develop and maintain a working climate for Division personnel that fosters interest in, enthusiasm for, and dedication to the Division's programs.

To serve as articulate and persuasive spokespersons for competition policy within the Administration, before regulatory agencies and the Congress, and before the general public.

To allocate resources and control current and future workload and output of the Division to produce results beneficial to the public.

To improve the Division's capability to meet the requirements of the Freedom of Information and Privacy Acts.

To provide effective and efficient administrative support for all Antitrust Division activities.

To support the Division's professional staff with modern tools for information processing.

Base Program Description: Policy guidance is essential to the successful functioning of the Division. Top management provides controls and direction for the full range of Division activities. The Assistant Attorney General, the Deputy Assistant Attorneys

General, and section and field office chiefs make significant contributions to overall administration and management, in addition to specific case direction. The responsibility for enforcing antitrust statutes requires reaction to complaints and to identifiable economic conditions, and a more sophisticated initiative designed to develop enforcement programs for long range problems such as preservation of competitive market structure. The Division also has the responsibility for serving as the federal government's primary spokesman and analyst on competition policy and its impact on legislative and governmental actions. The staff determines the allocation of a finite amount of resources among competing programs to meet the varied responsibilities of the Division as effectively as possible. Support encompasses a wide number of tasks to be performed in order to provide the resources and tools needed by the attorneys and economists to do their jobs. As the complexity of the Antitrust Division has increased, so has the need for administrative services.

Accomplishments: The recent reorganization of the Antitrust Division has increased the efficiency and effectiveness of the Division's accomplishment of its central law enforcement mission. Since 1981, there has been a reduction of over 30 percent in the number of authorized Division staff. Consolidation is necessary to maintain an appropriate ratio of attorneys to supervisory personnel, and to give the section chiefs adequate management flexibility and control. The reorganization was designed to achieve three specific objectives. First, and foremost, the new organizational structure reflects the fact that the Division is a law enforcement agency that will continue to give priority to the detection, investigation, and criminal prosecution of price fixing and related agreements that are per se antitrust violations, and to thorough analyses of mergers. This objective requires that there be an adequate number of attorneys within each litigating section, in both Washington and in the field offices, to allow for flexible and effective staffing of litigation matters. Second, the reorganization enhances the Division's important role as an advocate of competition. The Division's Competition Advocacy Program, together with vigorous antitrust enforcement, has served to promote a better appreciation of and a greater reliance on market forces and competition, as opposed to public or private regulation, to allocate this nation's resources. The reorganization increases the efficiency of the Division's competition advocacy activity and extends the Division's competition advocacy emphasis to additional areas. Third, the reorganization recognizes the important role that economists play in antitrust analysis and enforcement. In the handling of antitrust matters, economists are as essential as the lawyers and the Division's new structure reflects this fact.

Despite staffing reductions, a series of management initiatives and the utilization of sophisticated computer support have enabled the Division to increase its overall efficiency. In the area of litigation support, the Division has expanded both the number and the scope of investigations and cases receiving automated support through minicomputer-based systems and computer-generated graphics. During the past two years, the Division has begun to make extensive use of statistical analysis methods in support of important program initiatives to detect and prosecute anticompetitive, conspiratorial behavior such as price fixing and bid rigging. In several instances, computer products such as graphic representations of complex pricing patterns have been introduced into evidence and have played a key part in the outcome of the case. The Division plans to expand the use of these products and enhance existing data analysis procedures to ensure accurate and timely information for its attorneys. The Division has also been successful in obtaining and processing machine-readable materials from businesses and from federal and state bidding authorities to provide cost effective analyis of bidding, pricing and market shares. In order to provide a continued high level of support to the Division's sections and field offices, the Division has moved aggressively in the use of its on-site minicomputer network for litigation support by implementing a software package called the Antitrust Information Retrieval System (AIRS). AIRS was designed, developed and implemented "in-house" to operate on existing Division equipment and to provide automated capabilities to the matters which now comprise the bulk of the Division's workload. Additionally, the Division plans to make use of portable professional computers for remote trial support. This will not only increase the quality of offsite support but also will result in cost savings from reductions in travel for support staff.

The Division continues to reap benefits from its extensive office automation program. Division users in Washington and the field offices are now interconnected through a local area network installed in the Main Justice Building and through electronic mail. This marks the successful conclusion of a four-year program to provide modern word processing and electronic mail capability to all Antitrust Division offices. In summary, the Division has continued to expand the availability of litigation support services to its attorneys through improvements in minicomputer-based systems as well as judicious use of mainframe software systems.

Legal Activities

Salaries and expenses, Antitrust Division

Priority Rankings

Base Program

Program	Ranking
Termination and Prevention of Private Cartel Behavior	1
Preservation of Competitive Market Structure	2
Federal Appellate Activity	3
Competition Advocacy Program	4
Policy Analysis, Legislation and Training	5
Management and Administration	6

Legal Activities

Salaries and expenses, Antitrust Division

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987	
			Transfer in the Estimates	Total
Attorneys (905)	281	281	44	325
Paralegal Specialists (950)	64	64	8	72
Other Legal and Kindred (900-998)	16	16	---	16
Safety Management Group (018-085)	1	1	---	1
Social Sciences, Economics and Kindred (100-199)	47	47	---	47
General Administration, Clerical and Office Services (300-399)	223	223	16	239
Accounting and Budget (500-599)	10	10	---	10
Business and Industry Group (1100-1199)	6	6	---	6
Mathematics and Statistics Group (1500-1599)	1	1	---	1
Total	649	649	68	717
Washington	474	474	68	542
U.S. Field	175	175	---	175
Total	649	649	68	717

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	649	631	$44,500
Adjustments to base:			
Transfer from the Interstate Commerce Commission	68	68	3,400
Uncontrollable increases:			
Within-grade increases	---	---	264
Health benefits costs	---	---	18
GSA rent	---	---	1,548
General Services Administration (GSA) reimbursable services	---	---	17
Telephone system line charges	---	---	161
Government Printing Office (GPO) printing costs	---	---	12
Postal Service increase	---	---	17
General pricing level adjustment	---	---	387
Annualization of 1986 Relocation Amendment	---	---	92
Total, uncontrollable increases	---	---	2,516
Decreases:			
Federal Telecommunications System (FTS)	---	---	-39
Nonrecurring expenses relating to relocation to new building	---	---	-368
Total, decreases	---	---	-407
1987 Base	717	699	50,009

Legal Activities

Salaries and expenses, Antitrust Division

Justification of Adjustments to Base
(Dollars in thousands)

	Work-years	Amount
Uncontrollable increases:		
1. Within-grade increases..... This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $239,000 and benefits $25,000 = $264,000).	---	$264
2. Health benefits costs..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 3 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $18,000 provides funds for increased costs from pay period No. 2 ($20,192) to pay period No. 3 ($20,861) projected for 26 pay periods.	---	18
3. GSA rent..... Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $1,548,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.	---	1,548
4. GSA recurring reimbursable services..... Reimbursable payments are made to the GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $17,000 over 1986 charges of $378,000.	---	17
5. Telephone system line charges..... Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and data Private Branch Exchanges (PBX). Funding of $161,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease would be included in the FY 1989 request.	---	$161

	Work-years	Amount
6. Government Printing Office (GPO) printing costs..... The GPO is currently projecting a six percent increase over the 1986 printing cost of $200,000. An additional $12,000 will be required in 1987.	---	$12
7. Postal Service increase..... In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $17,000 provides for a 10 percent increase over the 1985 budgeted base of $170,000.	---	17
8. General pricing level adjustment..... This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	---	387
9. Annualization of 1986 Relocation Amendment..... Annualization of the 1986 Relocation Amendment is reflected in this figure.	---	92
Total uncontrollable increases.....	---	2,516
Decreases (automatic non-policy):		
1. Federal Telecommunications System (FTS)..... The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $39,000 will be subtracted from the 1986 base of $404,000.	---	-39
2. Nonrecurring expenses relating to relocation to new building..... Nonrecurring moving costs of $368,000 to relocate and consolidate various offices of the Antitrust Division in 1986 from present locations in two leased buildings in downtown Washington to a single new location in the Judiciary Center Building are reflected here as a decrease.	---	-368
Total uncontrollable decreases.....	---	-407
Total, adjustments to base.....	---	2,109

BIOGRAPHY OF DOUGLAS GINSBURG

Mr. EARLY. We are pleased to welcome to the committee Douglas H. Ginsburg, Assistant Attorney General for Antitrust. Mr. Ginsburg, since this is your first appearance before our committee, we will insert your biography in the record at this point, and you may proceed with your own statement.

[The biography of Mr. Ginsburg follows:]

BIOGRAPHY OF DOUGLAS H. GINSBURG, ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION, U.S. DEPARTMENT OF JUSTICE

Mr. Ginsburg, who became Assistant Attorney General for Antitrust in September 1985, was formerly Administrator for Information and Regulatory Affairs, Office of Management and Budget. Prior to that he was a Deputy Assistant Attorney General in the Antitrust Division. Mr. Ginsburg was for 10 years a professor at the Harvard Law School, where he specialized in antitrust and economic regulation. Prior to joining the Harvard faculty, Mr. Ginsburg was Law Clerk to Supreme Court Justice Thurgood Marshall, and Judge Carl McGowan of the United States Court of Appeals for the District of Columbia Circuit.

Mr. Ginsburg received his J.D. degree cum laude from the University of Chicago Law School in 1973, and his B.S. degree from Cornell in 1970. He was elected to the Honor Society of Phi Kappa Phi and the Order of the Coif and was Articles Editor of the University of Chicago Law Review.

Mr. Ginsburg is the author of several books and articles on aspects of antitrust and regulation. He is a member of the Massachusetts and Illinois bars, and of the American Economic Association.

He was born in Chicago, Illinois in 1946, and married Hallee P. Morgan, M.D., in 1981.

GENERAL STATEMENT

Mr. GINSBURG. Thank you, Mr. Chairman.

As the biography will show, I am a fellow resident of the Commonwealth of Massachusetts.

Mr. EARLY. Fine, where?

Mr. GINSBURG. Cambridge.

Mr. EARLY. Too bad.

Mr. GINSBURG. It is my first appearance as you say, and I appreciate the opportunity to be here.

Our budget request for the coming year is for an amount that slightly exceeds $50 million, taking account of the transfer of the additional functions from the Interstate Commerce Commission (ICC) which accounts for $3.4 million of the request.

We also have uncontrollable changes in this request amounting to $2,109,000. Those are attributable primarily to an increase by GSA in our rent cost which alone would be $1,548,000. There are no program increases in the request other than the transfer from the ICC.

The request reflects a continuation of our current emphasis on criminal law enforcement in the antitrust area, and a continued effort on our part within the available funds to operate as efficiently as possible, and to continue to substitute data processing and telecommunications equipment for what would otherwise be an additional need for clerical and support staff. We have come a long way in that regard over the last four years, but our task is not over.

I will be happy to answer any of your questions.

[The prepared statement of Mr. Ginsburg follows:]

STATEMENT OF DOUGLAS H. GINSBURG, ASSISTANT ATTORNEY GENERAL

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear in support of the Antitrust Division's budget request for fiscal year 1987 of 717 positions, 699 workyears and $50,009,000. This request reflects net uncontrollable changes of $2,109,000 and a transfer from the Interstate Commerce Commission of 68 positions, 68 workyears, and $3,400,000. The major change in uncontrollables is an increase of $1,548,000 in General Services Administration rent. No program increases are included in this request.

Vigorous prosecution of per se unlawful restraints affecting horizontal competition is the Antitrust Division's primary enforcement activity. Fully three quarters of all cases we filed in fiscal year 1985 involved criminal charges against various forms of horizontal price fixing and market allocation. In recent years, the Division has had particular success in prosecuting bid rigging, especially in road and airport construction, electrical contracting, and utility construction. We will be soliciting leads aggressively in other settings, such as Department of Defense procurements, where bidding systems are employed and investigators can access price data and other information about the market condition of sellers.

This concludes my statement, Mr. Chairman. I will be happy to answer any questions you or other members of the subcommittee may have.

GRAMM-RUDMAN REDUCTION

Mr. EARLY. You had a $1,914,000 cut because of the Gramm-Rudman legislation. How did that impact on your activities in this current fiscal year?

Mr. GINSBURG. We imposed a hiring freeze subject to certain exceptions, starting about two months ago, and we have deferred purchases of some of the office automation equipment that we would otherwise have purchased during the fiscal year.

Mr. EARLY. A hiring freeze with certain exceptions, so that means it is not carte blanche, it is not a total freeze.

Mr. GINSBURG. It is not rigid. That is correct.

Mr. EARLY. I certainly believe it should never be rigid. I don't think we can ever say always or never at any time.

Mr. GINSBURG. I agree. I think Gramm-Rudman imposes a certain degree of rigidity.

Mr. EARLY. That might be the only time we could have said never.

Mr. GINSBURG. And we shouldn't have—we shouldn't compound that by making a no-exception freeze within the Division.

Mr. EARLY. Absolutely, especially within the whole Justice Department. You are going to recruit lawyers to handle your work, and you cannot compete with the New Yorks and Los Angeles. My goodness, we can only tie your hands so much.

What you don't pursue and detect is not a savings.

Mr. GINSBURG. I quite agree. One thing that we are trying to do, of course, is as we have turnover in the support staff to hold the line, thereby purchasing additional terminals for our integrated office automation system.

Mr. EARLY. Will they be able to come on quickly enough to supplant the in-house support that we are replacing?

Mr. GINSBURG. Additional terminals are just plugged in to existing systems so there is no delay.

Mr. EARLY. You will have the operators who know how to use them?

Mr. GINSBURG. There is a training program within the Department. It really is an essential element in virtually every support

job in the Division to be able to do word processing and other automated tasks.

Mr. EARLY. When you put it in the work force, is it usually a new process?

Mr. GINSBURG. I am sorry, I didn't understand.

Mr. EARLY. If they are going to replace staff, is it a new service that the new data bank is going to produce?

Mr. GINSBURG. No. We have an existing system and all we need to do is continue to substitute terminals for persons in order to realize further savings from it.

Mr. EARLY. So you don't anticipate any furloughs or reductions then?

Mr. GINSBURG. No, not at all. We would take every measure necessary to avoid that but we really don't think that is even going to be an issue.

REPROGRAMMING UNLIKELY

Mr. EARLY. Are you going to hire someone to do your reprogramming? Do you anticipate a lot of reprogramming?

Mr. GINSBURG. No, we don't.

Are you talking about your computer programming or funds reprogramming?

Mr. EARLY. I am talking about reprogramming of all the monies.

Mr. GINSBURG. Of the monies.

Mr. EARLY. If you are, you will be the first one that doesn't anticipate reprogramming.

Mr. GINSBURG. I don't think we anticipate any reprogramming.

INTERSTATE COMMERCE COMMISSION TRANSFER

Mr. EARLY. Fine.

Page 4 of the justification indicates language is proposed for separate transmittal that would transfer $3.4 million from the Division from the Interstate Commerce Commission. What is the status of this proposal?

Mr. GINSBURG. Well, this is part of the proposal to zero out the Interstate Commerce Commission and redistribute most of its functions, some of them to the Department of Transportation, some to the Department of Justice.

Mr. EARLY. Can you tell us what the savings will be? Can you provide it for the record, once that is completed, if it is ever completed, what and where the savings are?

Mr. GINSBURG. I will be happy to do that.

[The following information was submitted:]

INTERSTATE COMMERCE COMMISSION SAVINGS

Legislation proposed to abolish the Interstate Commerce Commission and to deregulate interstate motor freight, freight forwarder, and water carriers by October 1, 1986 would eliminate a major portion of ICC workload and result in saving 550 full-time permanent positions, and over $24 million in 1987; over $37 million each subsequent year.

Mr. EARLY. What functions will be transferred from the ICC to the Division and will all of the positions and other resources that are presently allocated to performing these functions be included in the transfer?

Mr. GINSBURG. The functions will be all related to mergers, consolidations and the like within the rail industry. The personnel would be 68 positions of which about two-thirds would be attorneys and the rest support staff.

Mr. EARLY. Are these two-thirds of the attorneys to speed up the process? If you were saying you want to reduce your staff by 68 attorneys, I would think you really were looking to quicken the process.

Mr. GINSBURG. Unfortunately the Department of Justice will inevitably always be a lawyer-intensive operation necessarily. But the Division now has a role in every merger or consolidation in the rail industry. The ICC is the decision-making agency but the Division makes an appearance as a party with expert testimony. These are very complex and prolonged proceedings. We are of course involved also in the Conrail transaction, which is not being handled by the ICC. The transfer of functions that would bring these attorneys and their support staff over to us would contemplate that we would have an expanded role.

WORKLOAD

Mr. EARLY. I think you have an expanded role, Mr. Ginsburg. I really believe that what has happened the past couple years with regards to antitrust, that your role is diminishing. I think that is not going in the right direction for the 1990s, and the year 2000. I think really there is an awful lot more that you can be doing.

Mr. GINSBURG. I think that our role has really transformed and evolved rather than diminished. When the Administration came to office in 1981, the Division had approximately 70 people dedicated just to two major cases, the IBM and AT&T cases. Our emphasis in the years since then has been on criminal enforcement activity, a strong field presence, but not nearly as many of the enormous cases that drag on for ten and twelve years, and consume 30 attorneys for that entire period.

Mr. EARLY. Except for additional resources to be transferred from the ICC, you are not requesting any additional positions for fiscal year 1987. Do you anticipate the workload will be about the same as it was in 1986?

Mr. GINSBURG. I anticipate that it will be possible to continue a slight expansion in our workload with existing people by more efficient use of the automation system.

We have about 125 grand juries sitting around the country right now. That is as far as we can ascertain an all-time record. We are handling those 125 grand jury investigations with a smaller overall division personnel roster than we had two years ago but every year we have increased the number of grand jury investigations.

Mr. EARLY. So we will have fewer people doing more things?

Mr. GINSBURG. I hope the same number of people doing slightly more things as we go to new leads. We are focusing on government

procurement bid rigging and that is turning out to be a very fruitful area. It is conceivable we will be back with a need for additional resources if that yields more work than we currently contemplate. We have 23 grand juries looking at those cases now.

LEGISLATIVE PROPOSALS

Mr. EARLY. The Administration recently sent to Congress a package of legislative proposals that would encourage corporate mergers to deal with stiffer worldwide competition. What evidence do you have that the antitrust laws are a cause of our recent record foreign trade deficits?

Mr. GINSBURG. The connection between the antitrust laws and the trade deficit is a fairly general one, and insofar as the antitrust laws have any anticompetitive effect, spill over effect on our companies or inhibit innovation, then they are going to put those companies in a lesser position to compete.

Secretary Baker said last week—and I fully agree—that changes in exchange rates will dwarf anything that could possibly be done through changes in the tax code to affect the trade deficit.

IMPACT OF TRADE DEFICIT AND TAX LAW CHANGES

Mr. EARLY. Don't you think almost everyone unanimously agrees with that?

Mr. GINSBURG. Yes, absolutely. And changes in the tax laws can dwarf what could be accomplished in the antitrust laws, if it can be done, though, without prejudice to consumers and competition in antitrust laws, is free for the asking.

If it is a modest savings in the trade deficit and modest gain in our productivity, as long as it comes to us at no cost we should take it.

Mr. EARLY. Fine, but how can the antitrust statutes be the primary cause of our trade problems—although you just suggested they were not the primary, but it was suggested they were a cause—when these same laws were in effect in 1975 when we achieved our last positive trade balance?

Mr. GINSBURG. The world has changed considerably in the area of trade.

Mr. EARLY. The administrations have, too.

Mr. GINSBURG. The administrations I think have less to do with the flow of trade than worldwide economic phenomena.

Mr. EARLY. I agree with that.

Mr. GINSBURG. But those phenomena have really put our industry into a new situation. Secretary Baldrige pointed out that 70 percent of the goods manufactured in this country sell in competition with imports. That is extraordinary. That has never been the case before. When we started out in 1945 there virtually were no imports.

INDUSTRIES BENEFITING FROM PROPOSED LEGISLATION

Mr. EARLY. What industries would you expect to benefit by this legislation?

Mr. GINSBURG. The legislative package as a whole of course is not directed at any particular industries. There is no special relief provided for or intended for any particular industry. But I would expect that the legislation will be particularly beneficial for medium-size and small businesses that are unable to undertake certain activities, because of the risk associated with treble damage liability if later on, a judge or jury determines that the activity was anticompetitive.

That is an inhibiting effect on small and medium-size businesses which are the primary source of innovation in our economy.

GUIDELINES

Mr. EARLY. All right.

The fiscal year 1986 Appropriation Act contained a provision expressing the sense of Congress that the antitrust enforcement policy guidelines published in January 1985 are not accurate expressions of Federal antitrust laws, or congressional intent with respect to the application of such laws to the resale price maintenance and other vertical restraints of trade, and should be recalled by the Attorney General. What actions have you taken to comply with this provision?

Mr. GINSBURG. First I have tried to make it clear in speeches and elsewhere that the guidelines constitute our enforcement principles and not a statement of what we believe the law to be.

Now, as to any steps that could be taken along the lines suggested by the resolution, it would be misleading, I am afraid, to the bar and to the business community if we were to "withdraw" the guidelines and then nonetheless maintain them as our practice for enforcement policy, as our guide.

So there is no real way in which we can practically do anything that constitutes withdrawal of the guidelines without really affirmatively misleading people.

RESALE PRICE MAINTENANCE PROHIBITION

Mr. EARLY. I see.

What did you do on the resale price maintenance issue?

Mr. GINSBURG. The resale price maintenance issue is one that has caused a disproportionate amount of vexation and concern to the Congress and the Division. I said at my confirmation hearing that I fully understand that the law makes resale price maintenance unlawful and that we will enforce that law to the fuliest extent possible. Now we are nonetheless routinely criticized by Members of Congress and others for not bringing resale price maintenance cases, but the fact is that we investigate thoroughly every lead we get in this area, and it is really quite easy for firms to accomplish their resale price objectives without violating this law. So not surprisingly it is very hard to find an actual case of violation.

Mr. EARLY. If you were not being criticized in your particular responsibility, I would be sure something was wrong, Mr. Ginsburg.

Mr. GINSBURG. I am afraid that is true, Mr. Early.

Mr. EARLY. I want to thank you for your testimony.

We will adjourn until Monday afternoon at 1:30.

MONDAY, MARCH 10, 1986.

FEDERAL PRISON SYSTEM

WITNESSES

NORMAN A. CARLSON, DIRECTOR, BUREAU OF PRISONS

WADE B. HOUK, ASSISTANT DIRECTOR FOR ADMINISTRATION

GERALD M. FARKAS, ASSOCIATE COMMISSIONER, FEDERAL PRISON INDUSTRIES, INC.

RAYMOND C. BROWN, DIRECTOR, NATIONAL INSTITUTE OF CORRECTIONS

LUMAN N. RENSCH, JR., CHIEF, OFFICE OF BUDGET DEVELOPMENT

DAVID J. SWEDA, BUDGET OFFICER, OFFICE OF BUDGET DEVELOPMENT

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. EARLY [presiding]. The committee will come to order.

The first item that we shall consider today is the fiscal year 1987 budget request for the Federal Prison System. The request for the three appropriation items totals $767,454,000. This amount is an increase of $179,892,000 above the appropriation enacted to date for fiscal year 1986, adjusted for sequestration under Public Law 99-177.

The amounts requested for fiscal year 1987 for the individual appropriation items are as follows: Salaries and Expenses, $598,807,000; Buildings and Facilities, $159,152,000; and the National Institute of Corrections, $9,495,000.

We shall insert at this point in the record the justification material submitted in support of the fiscal year 1987 budget request.

[The justification material follows:]

Legal Activities
Salaries and expenses, Antitrust Division
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Request Positions & Workyears	1987 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $72,300	1		1		---	
ES-5, $70,500	1		1		---	
ES-4, $68,700	19		19		---	
ES-3, $66,232	2		2		---	
ES-2, $63,764	2		2		---	
ES-1, $61,296	1		1		---	
GS/GM-15, $52,262-67,940	170		186		16	
GS/GM-14, $44,430-57,759	58		66		8	
GS/GM-13, $37,599-48,876	50		58		8	
GS-12 $31,619-41,105	53		60		7	
GS-11 $26,381-34,292	40		45		5	
GS-9 $21,804-28,347	46		51		5	
GS-8 $19,740-25,662	39		43		4	
GS-7 $17,824-23,170	97		107		10	
GS-6 $16,040-20,855	28		31		3	
GS-5 $14,390-18,710	22		24		2	
GS-4 $12,862-16,723	11		11		---	
GS-3 $11,458-14,896	7		7		---	
GS-2 $10,501-13,216	2		2		---	
Total, appropriated positions	649	$25,359	717	$27,895	68	$2,536
Pay above stated annual rates		98		107		9
Lapses	-48	-1,874	-48	-1,883		-9
Net permanent	601	23,583	669	26,119	68	2,536
Average ES Salary		($67,884)		($67,884)		
Average GS/GM Salary		($37,865)		($37,809)		
Average GS/GM Grade		(11.0)		(11.0)		

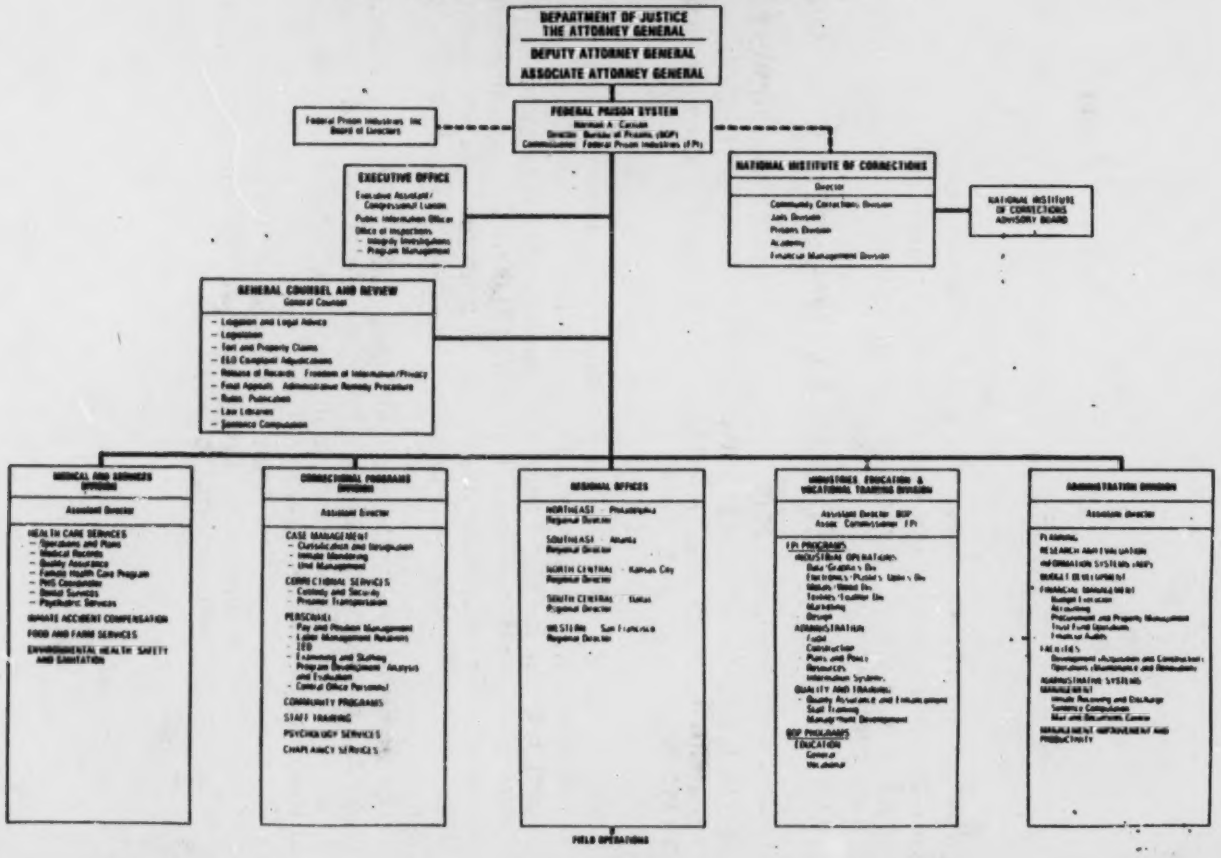
1022

Legal Activities
Salaries and expenses, Antitrust Division
Summary of Requirements by Grade and Object Class (continued)
(Dollars in thousands)

Object Class	1986 Estimate		1987 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	601	$23,583	669	$26,119	68	$2,536
11.3 Other than full-time permanent:						
Part-time permanent	15	575	15	575	---	---
Temporary employment	15	376	15	376	---	---
Other part-time and intermittent employment	---	42	---	42	---	---
11.5 Other personnel compensation:						
Overtime	8	159	8	159	---	---
Other compensation	---	83	---	83	---	---
11.8 Special personal services payments	---	3	---	3	---	---
Total, workyears and personnel compensation	639	24,821	707	27,357	68	2,536
12 Personnel benefits	---	2,687	---	2,980	---	293
13 Benefits to former personnel	---	40	---	40	---	---
21 Travel and transportation of persons	---	1,085	---	1,229	---	144
22 Transportation of things	---	251	---	294	---	43
23.1 Standard level user charges	---	3,082	---	4,698	---	1,616
23.3 Communications, utilities and miscellaneous charges	---	3,042	---	3,323	---	281
24 Printing and reproduction	---	410	---	507	---	97
25 Other services	---	6,387	---	6,651	---	264
26 Supplies and materials	---	711	---	805	---	94
31 Equipment	---	1,981	---	2,122	---	141
42 Insurance claims and indemnities	---	3	---	3	---	---
Total obligations	639	44,500	707	50,009	68	5,509
Relation of obligations to outlays:						
Obligated balance, start-of-year		10,761		12,986		
Obligated balance, end-of-year		-12,986		-14,594		
Outlays		42,275		48,401		

59-584 O—86——33

FEDERAL BUREAU OF PRISONS



Federal Prison System

Priority Rankings

Base Program		Program Increase	
Program	Ranking	Program	Ranking
Inmate Care	1	Inmate Care	1
Institution Security	2	Institution Security	2
Institution Administration	3	Institution Administration	3
Institution Maintenance	4	Institution Maintenance	4
Modernization and Repair of Existing Facilities	5	New Construction	5
Contract Confinement	6	Modernization and Repair of Existing Facilities	6
Federal Prison Industries, Inc.	7	Administrative Services	7
Unit Management	8	Unit Management	8
Inmate Programs	9	Other Inmate Services (non-appropriated)	9
Executive Direction	10	Federal Prison Industries, Inc.	10
Administrative Services	11	Inmate Programs	11
Other Inmate Services (Non-appropriated)	12	Staff Training	12
Staff Training	13		
National Institute of Corrections	14		
Planning and Site Acquisition	15		
New Construction	16		

Department of Justice
Federal Prison System
Salaries and expenses
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	6
Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985	7
Crosswalk of 1986 Changes	8
Summary of Requirements	9
Summary of Resources by Program	10
Justification of Program and Performance	12
Justification of Multi-Activity Program Increases	43
Financial Analysis - Program Changes	45
Detail of Permanent Positions by Category	47
Summary of Adjustments to Base	48
Justification of Adjustments to Base	49
Summary of Requirements by Grade and Object Class	52

Federal Prison System

Salaries and expenses

Summary Statement

Fiscal Year 1987

The Federal Prison System is requesting for "Salaries and expenses" for 1987, a total of $598,807,000, 10,857 permanent positions and 10,615 workyears. This request represents an increase of 30 workyears and $31,287,000 and a decrease of 19 positions from the 1986 appropriation anticipated.

The mission of the Federal Prison System is to carry out the judgements of the courts for sentenced Federal offenders, provide detention services for persons serving short sentences, provide for humane incarceration of offenders and encourage offenders to participate in programs and activities that can impact positively on their capability for achieving a crime-free life. The Federal Prison System philosophy recognizes that incapacitation, retribution, deterrence and rehabilitation are all valid aims of corrections.

This appropriation will provide for the maintenance and operation of 47 penal institutions, 5 regional offices, 3 staff training centers, a central office, and contracts with over 379 state and local correctional institutions, 36 juvenile facilities and 330 community treatment centers. FPS activated three additional facilities during 1985, two Federal Correctional Institutions one at Loretto, PA and another at Phoenix, AZ and a Federal Medical Center at Rochester, MN. In addition, the Federal Prison System will activate an Alien Detention Center in Oakdale, LA during 1986. (On page 5 is a geographical display of the Federal Prison System by region.)

The highly successful execution of this Administration's law enforcement initiatives, especially those directed at major drug trafficking and organized crime has resulted in a 56 percent increase in the Federal prison population - from 23,780 to approximately 37,142 inmates. The Federal Prison System projects that the average daily population will continue to grow to at least 37,812 in 1987.

The 1987 request includes additional resources to provide for a projected increase in average daily population of 1,243 from 36,569 in 1986 to 37,812 in 1987; to activate new housing at existing facilities; to continue operation of a Witness Security Unit at the Federal Correctional Institution, Tallahassee, Florida; to provide for increased use of the Justice Data Center; and to replace obsolete SENTRY equipment. In addition, the request includes a reduction of 50 positions to be achieved through management and productivity savings.

The appropriation "Salaries and expenses" contains four budget activities which incorporate twelve programs. The budget activities are: Inmate Care, Custody and Programs, Institution Administration and Maintenance, Contract Confinement and Program Direction.

Inmate Care, Custody and Programs

This activity includes the costs of all food; medical care (including salaries of Health Resources and Services Administration commissioned officers); clothing; welfare services; security; release clothing, transportation and gratuities; housing unit furnishings; academic, social and occupational educational courses; leisure time programs; and religious and psychology services, and staff salaries. To carry out its mission in this activity, the Federal Prison System conducts the following programs:

The Inmate Care program includes the responsibilities for providing Federal inmates with a nutritionally adequate, palatable diet; the conduct of farm operations at two institutions for the production of beef and milk; providing adequate, accessible and quality health care for each incarcerated offender; and providing all inmates with an adequate supply of clean clothing, footwear, linens, toiletries and writing supplies. In addition, this program includes the costs of the clothing/laundry and commissary trust fund operations. In 1987, the following increases are requested:

- $2,404,000 to provide for a projected increase in average daily population of 1,243 from 36,569 in 1986 to 37,812 in 1987.
- 1 position, 1 workyear and $675,000 to activate new housing units at existing institutions.

The Institution Security program consists of the correctional staff whose responsibility is to maintain security, control and supervision consistent with human dignity. In 1987, FPS is requesting:

- $177,000 to provide for the projected population increase.
- 11 positions, 6 workyears, and $257,000 to activate new facilities.
- 8 positions, 8 workyears and $186,000 to continue operation of a Witness Security Unit at FCI, Tallahassee, Florida.

The Unit Management program is a system of inmate management that decentralizes an institution by breaking the population down into groups of 50 to 150 offenders. It provides administration, case management services, drug/alcohol treatment programs and other needed services to the smaller groups. The 1987 request includes:

- $170,000 to provide for the projected population increase.

* 9 positions, 3 workyears, and $871,000 to activate new facilities.

* 2 positions, 2 workyears and $64,000 to continue operations of a Witness Security Unit at FCI, Tallahassee.

Inmate Programs offer the inmates opportunities to develop or enhance their academic and vocational skills, to involve themselves in constructive leisure-time activity, to participate in religious programs of their choice and to receive individual or group counselling to deal with mental health problems. In 1987, the following increases are requested:

* $323,000 to provide for the projected population increase.

* 2 positions, 2 workyears and $89,000 to activate new facilities.

Institution Administration and Maintenance

This activity covers all costs associated with the general administration, operation and maintenance of facilities. Included are functions of the warden's office, legal counsel, personnel, financial management, records office, safety, staff training, mechanical services, motor pool operations, power house operations, and other administrative functions.

Institution Administration finances the costs of the institutions' executive staff (warden and staff), legal counsel, personnel and financial management, records office and safety programs. In 1987, the request includes:

* $133,000 to provide for the projected population increase.

* 1 position and $229,000 to activate new facilities.

The Staff Training program provides training to all staff in all spheres of corrections. It assures that the latest policies, procedures and correctional techniques are communicated to staff. Staff training consists of programs in each institution, training at the three Federal Prison System staff training centers, and external training through contracts. In 1987, the request includes an increase $14,000 to provide training for new positions.

The Institution Maintenance program finances the costs of repairs to buildings and facilities, purchase of utility systems and steam power plants, telecommunications and transportation services. Services are provided through direction of the technical facilities management staff. This request includes:

* $1,731,000 to provide for the projected population increase.

* 1 position and $334,000 to activate new facilities.

Contract Confinement

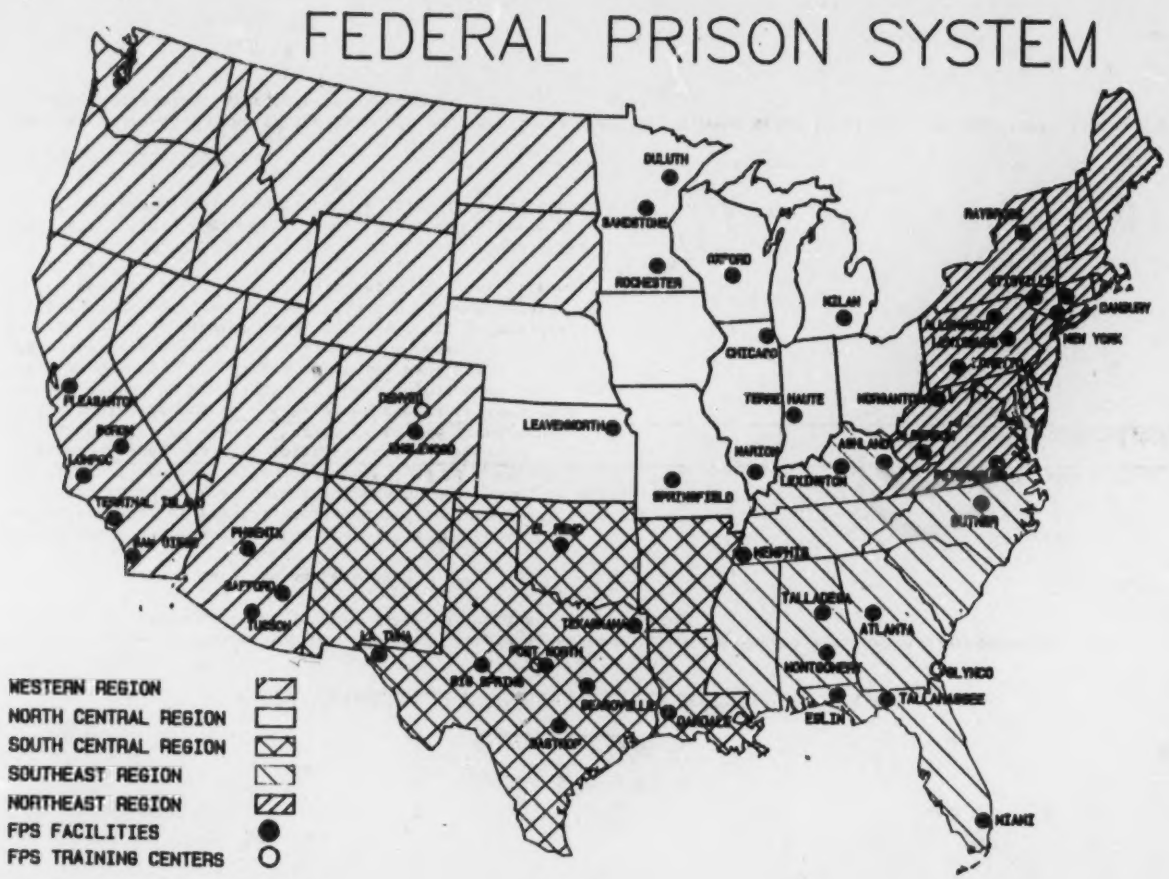
This activity/program finances the costs of care of Federal offenders in contract state, local and community residential facilities. Community Programs Managers (CPM's) develop and manage resources for the confinement of offenders in non-Federal facilities. This includes contracting with State and local correctional institutions to board certain types of Federal offenders, such as juveniles, offenders with short sentences and protection cases and contracting with State, local and private agencies who provide residential resources for institution releasees, direct commitments and persons requiring closer supervision than can be provided by U.S. Probation Officers. The Bureau is responsible for ensuring that these facilities meet Bureau standards and that inmates housed in these facilities receive adequate services. CPM's also provide liaison between the Federal Prison System, and the U.S. Marshals Service, U.S. Probation Service, U.S Parole Commission, Federal Courts, and state and local law enforcement officials. During 1987, this program will be at current levels.

Program Direction

This activity covers the costs of regional and central office executive direction and management support functions such as the executive staff, regional and central office program managers, research and evaluation, program analysis, budget development, policy development and implementation, system support, financial management, personnel, ADP, space management, and legal services.

Executive Direction and Control provides the resources for overall policy and program development, implementation, direction and evaluation to assure the effective conduct of the Federal Prison System's business. In addition, resources are included to provide the Federal Prison System and the Federal Prison Industries, Inc. with adequate legal counsel. In 1987, the Federal Prison System plans to provide current services.

The Administrative Services program finances the central and regional office functions of personnel management; maintenance of equal employment opportunity; medical services; financial management, including procurement and property management; and ADP services, records management, mail, printing, reproduction, and space management. In 1987, the request includes $8,020,000 to provide for increased use of the Justice Data Center and to replace obsolete SENTRY equipment.


FEDERAL PRISON SYSTEM
DULUTH
SANDSTONE
ROCHESTER
OXFORD
KELLAM
CHICAGO
TERRE HAUTE
MORGANTOWN
DANBURY
NEW YORK
LEAVENWORTH
SPRINGFIELD
MARION
ASHLAND
LEXINGTON
ATLANTA
MEMPHIS
TALLADEGA
MONTGOMERY
TALLAHASSEE
ELKTON
MIAMI
PHOENIX
TEXARKANA
FORT WORTH
BIG SPRING
BEAUMONT
DANBURY
WESTERN REGION
NORTH CENTRAL REGION
SOUTH CENTRAL REGION
SOUTHEAST REGION
NORTHEAST REGION
FPS FACILITIES
FPS TRAINING CENTERS

Federal Prison System

Salaries and expenses

Justification of Proposed Changes to the Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed [one hundred nine, of which ninety-four], are for replacement only) and hire of law enforcement and passenger motor vehicles; [$556,900,000]; Provided, That there may be transferred to the Health Resources and Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions; [:Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year].

Forty of which thirty

$598,807,000

(18 U.S.C. 3050, 3059, 3651, 4001, 4002, 4007, 4008, 4011, 4041, 4042, 4081, 4082, 4253, 4281, 5015; DOJ Appropriation Act, 1986; additional authorizing legislation to be proposed.)

Explanation of Changes:

The 1987 proposed authorization language provides for a general purchase price limitation for uniforms eliminating the need for similar appropriation language.

Federal Prison System

Salaries and expenses

Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Action on 1986 Request			1986 as Enacted			Funds Sequestered	
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	4.3% Reduc.	Rev. Amt.
Inmate Care, Custody and Programs:											
Inmate Care	1,634	1,621	$121,702	...	...	-$695	1,634	1,621	$121,007	-$5,203	$115,804
Institution Security	4,550	4,352	123,457	50	37	820	4,600	4,389	124,277	-5,344	118,933
Unit management	1,260	1,202	44,097	...	...	-140	1,260	1,202	43,957	-1,890	42,067
Inmate programs	647	641	30,971	...	...	91	647	641	31,062	-1,335	29,727
Subtotal	8,091	7,816	320,227	50	37	76	8,141	7,853	320,303	-13,772	306,531
Institution Administration and maintenance:											
Institution administration	1,335	1,319	70,604	...	...	-389	1,335	1,319	70,215	-3,019	67,196
Staff training	64	68	7,834	...	...	-68	64	68	7,766	-334	7,432
Institution maintenance	855	821	76,630	...	...	-731	855	821	75,899	-3,264	72,635
Subtotal	2,254	2,208	155,068	...	...	-1,188	2,254	2,208	153,880	-6,617	147,263
Contract Confinement	71	78	53,385	...	...	1,998	71	78	55,383	-2,382	53,001
Program Direction:											
Executive direction and control	225	249	11,181	...	...	41	225	249	11,222	-483	10,739
Administrative services	185	197	16,119	...	...	-7	185	197	16,112	-693	15,419
Subtotal	410	446	27,300	...	...	34	410	446	27,334	-1,176	26,158
Total	10,826	10,548	555,980	50	37	920	10,876	10,585	556,900	-23,947	532,953

Federal Prison System

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Action on 1986 Request			1986 Supplementals Requested	1986 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Program	Pos.	WY	Amt.
Inmate Care, Custody and Programs:										
Inmate Care	1,634	1,621	$121,702	...	...	-$695	$5,156	1,634	1,621	$126,163
Institution Security	4,550	4,352	123,457	50	37	820	389	4,600	4,389	124,666
Unit management	1,260	1,202	44,097	...	...	-140	431	1,260	1,202	44,388
Inmate programs	647	641	30,971	...	...	91	689	647	641	31,751
Subtotal	8,091	7,816	320,227	50	37	76	6,665	8,141	7,853	326,968
Institution Administration and maintenance:										
Institution administration	1,335	1,319	70,604	...	...	-389	286	1,335	1,319	70,501
Staff training	64	68	7,834	...	...	-68	...	64	68	7,766
Institution maintenance	855	821	76,630	...	...	-731	3,669	855	821	79,568
Subtotal	2,254	2,208	155,068	...	...	-1,188	3,955	2,254	2,208	157,835
Contract Confinement	71	78	53,385	...	...	1,998	...	71	78	55,383
Program Direction:										
Executive direction and control	225	249	11,181	...	...	41	...	225	249	11,222
Administrative services	185	197	16,119	...	...	-7	...	185	197	16,112
Subtotal	410	446	27,300	...	...	34	...	410	446	27,334
Total	10,826	10,548	555,980	50	37	920	10,620	10,876	10,585	567,520

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress provided $8,776,000 of the $9,096,000 requested for restoration of the five percent pay reduction and added $1,000,000 for 50 additional correctional officers and $200,000 for the Prison MATCH Program (Mothers and Their Children). In addition, the Congress provided $2,000,000 for Contract Community Treatment Centers and $50,000 for inmate legal services. Congressional action also included a $10,000 rounding reduction.

Supplementals Requested

Supplemental funding is requested to support an average daily population of 36,569 (2,779 over the previous projection).

Federal Prison System

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	10,876	10,585	$556,908
1986 Program supplemental requested	...	...	10,612
1986 appropriation anticipated	10,876	10,585	567,520
Savings resulting from management initiatives	-50	-40	-788
Uncontrollable increases	...	48	18,368
Decreases (automatic non-policy)	...	...	-1,972
1987 base	10,826	10,593	583,130

	1985 Actuals			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Inmate care, custody and programs	7,779	6,838	$289,506	8,141	7,853	$326,968	8,117	7,876	$334,405	8,146	7,898	$339,621	29	22	$5,216
2. Institution administration and maintenance	2,181	2,157	154,525	2,254	2,208	157,835	2,235	2,199	163,149	2,237	2,199	165,590	2	...	2,441
3. Contract Confinement	71	79	46,894	71	78	55,383	69	76	56,762	69	76	56,762	...	...	...
4. Program direction	410	461	31,144	410	446	27,334	405	442	28,814	405	442	36,834	...	...	8,020
Total	10,441	9,535	522,069	10,876	10,585	567,520	10,826	10,593	583,130	10,857	10,615	598,807	31	22	15,677

Federal Prison System

Salaries and Expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 Enacted			1985 Actuals			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:																		
Inmate care.....	1,579	1,507	$111,898	1,579	1,241	$109,585	1,634	1,621	$126,163	1,620	1,614	$130,208	1,621	1,615	$133,287	1	1	$3,079
Institution security.....	4,381	4,021	113,427	4,381	3,976	114,522	4,600	4,389	124,666	4,600	4,409	127,072	4,619	4,423	127,692	19	14	620
Unit management..	1,202	1,126	40,902	1,202	1,069	38,642	1,260	1,202	44,388	1,254	1,211	44,578	1,261	1,216	45,683	7	5	1,105
Inmate programs..	617	593	28,753	617	552	26,757	647	641	31,751	643	642	32,547	645	644	32,959	2	2	412
Subtotal.....	7,779	7,247	294,980	7,779	6,838	289,506	8,141	7,853	326,968	8,117	7,876	334,405	8,146	7,898	339,621	29	22	5,216
Institution administration and maintenance:																		
Institution administration.	1,277	1,237	65,980	1,277	1,304	68,933	1,335	1,319	70,501	1,327	1,317	72,068	1,328	1,317	72,430	1	...	362
Staff training...	63	67	7,261	63	74	8,395	64	68	7,766	63	68	8,088	63	68	8,102	...	...	14
Institution maintenance....	841	794	72,915	841	779	77,197	855	821	79,568	845	814	82,993	846	814	85,058	1	...	2,065
Subtotal.....	2,181	2,098	146,156	2,181	2,157	154,525	2,254	2,208	157,835	2,235	2,199	163,149	2,237	2,199	165,590	2	...	2,441
Contract confinement.	71	78	53,958	71	79	46,894	71	78	55,383	69	76	56,762	69	76	56,762	...	...	...
Program direction:																		
Executive direction and Control.....	225	249	11,345	225	256	11,345	225	249	11,222	223	247	11,353	223	247	11,353	...	...	...
Administrative Services.....	185	197	16,493	185	205	19,799	185	197	16,112	182	195	17,461	182	195	25,481	...	...	8,020
Subtotal.....	410	446	27,838	410	461	31,144	410	446	27,334	405	442	28,814	405	442	36,834	...	...	8,020
Total.....	10,441	9,869	522,932	10,441	9,535	522,069	10,876	10,585	567,520	10,826	10,593	583,130	10,857	10,615	598,807	31	22	15,677

Federal Prison System

Salaries and Expenses

Summary of Resources by Program (cont.)
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actuals			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Workyears:																		
Holiday		235			235			258			258			258			...	
Overtime		204			204			217			217			217			...	
Total compensable workyears		10,308			9,974			11,060			11,068			11,090			22	
Reimbursable workyears		127			127			127			127			127			...	
Total FTE Ceilings		10,435			10,101			11,187			11,195			11,217			22	

Federal Prison System

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Inmate Care, Custody and Programs	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	1,634	1,621	$126,163	1,620	1,614	$130,208	1,621	1,615	$133,287	1	1	$3,079
Institution Security	4,600	4,389	124,666	4,600	4,409	127,072	4,619	4,423	127,692	19	14	620
Unit Management	1,260	1,202	44,388	1,254	1,211	44,578	1,261	1,216	45,683	7	5	1,105
Inmate Programs	647	641	31,751	643	642	32,547	645	644	32,959	2	2	412
Total	8,141	7,853	326,968	8,117	7,876	334,405	8,146	7,898	339,621	29	22	5,216

This budget activity includes the cost of all food; medical care; clothing; linens; security; welfare services; release clothing, transportation and gratuities; housing unit furnishings; academic; social and occupational education courses; leisure time programs; and religious and psychology services. Also included are the salaries and other expenses of Health Resources and Services Administration commissioned officers stationed in FPS facilities.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	1,634	1,621	$126,163	1,620	1,614	$130,208	1,621	1,615	$133,287	1	1	$3,079

Long-Range Goal: To provide offenders incarcerated in the Federal Prison System with a nutritional diet; comprehensive, accessible high-quality health care services; clean clothing, footwear, linens, toiletries and stationery; and to properly manage the Inmate Trust Fund.

Major Objectives:

Continue providing three nutritional meals daily including provisions for medical and religious diets.

Continue cost-effective farm operations to supplement food purchased from local sources.

Maximize the use of surplus foods from the Commodity Credit Corporation.

Professionally analyze food service programs for nutritional adequacy.

Continue to provide current level health care services in all institutions, which include promotion of good health practices, prevention of diseases and disability, inpatient and outpatient treatment, medical rehabilitation services and health education.

Continue to provide 24-hour or 16-hour (camps require 16-hour coverage) medical coverage, as appropriate.

Meet and/or maintain other medical accreditation requirements in all institutions.

Acquire an adequate supply of clothing, footwear, linens, toiletries and stationery items for distribution to the inmate population.

Maintain laundry and clothing issue/return operations.

Maintain the Inmate Trust Fund.

Base Program Description: Institution food menus are prepared on a 35-day cycle, balanced for variety and adequate nutrition. The basis for the menu is the "standard ration" which consists of appropriate levels of the fifteen major food categories including beef, pork, and other meats; fats; starches; milk and cheese; eggs; sweets; beverages; potatoes and other roots; leafy green and yellow vegetables; tomatoes; dried beans; peas or nuts; fresh, canned and dried fruits; and adjuncts. Special medical and religious diets are included in the menu. Meal preparation is accomplished primarily by inmate workers under the supervision of trained civilian staff. Nearly 10 percent of the total inmate population (3,650 inmates in 1986) work in the food service program.

Farm operations are conducted at two institutions. The Federal Correctional Institutions at Lompoc, CA and El Reno, OK utilize available land resources in the limited production of beef and milk. Farm products are consumed at the producing institution and are also shipped to nearby institutions to offset their need to purchase some products on the open market.

Medical services are delivered at the institution level by a variety of professional and para-professional health care personnel including physicians, physician assistants, nurses and dental staff. Within 14 days of admission, all inmates receive a complete physical examination including a chest x-ray and, if indicated, a psychiatric evaluation. This physical examination provides an accurate physical, dental, and mental appraisal of the inmate. Medical staff conduct sick call five days a week which includes examination of

patient complaints, ordering and assessment of diagnostic tests and implementation of a medical treatment plan. Inmates in segregation units are seen at least once during each 24-hour period by a physician assistant. Inmates with complaints during other than normal working hours or on weekends and holidays are seen by medical staff on-duty or on-call. If an inmate has a health condition which is beyond the professional capability of the institution's medical staff, the inmate is referred to a contract physician or hospital in the community or one of the Bureau's medical referral centers.

The Medical Center for Federal Prisoners (MCFP) at Springfield, Missouri is the major medical referral center for the Federal Prison System. Four additional regional medical referral centers within the FPS health care delivery system are:

1. FCI, Butner, NC - referrals are male psychiatric cases mainly from the Northeast and Southeast Regions.
2. FCI, Lexington, KY - referrals are female medical and psychiatric cases nationwide and male medical cases primarily from the Northeast and Southwest Regions. Also, selected chronic (disabled, handicapped, geriatric) cases are referred to Lexington on a nationwide basis.
3. FCI, Terminal Island, CA - referrals of both male and female medical, surgical, and psychiatric (for male inmates) cases are made primarily from the Western Region.
4. MCFP, Rochester - referrals are medical and psychiatric cases nationwide.

The U.S. Public Health Service (PHS) provides personnel in support of the FPS medical program. In addition, agreements with the Veterans Administration (VA) provide for the utilization of VA medical facilities on a referral basis. Medical, surgical, and rehabilitative services which were not available in FPS hospitals, are provided to inmates through contract arrangements with community hospitals and/or governmental health facilities.

The Federal Prison System maintains an inventory of clothing, footwear, toiletries, linens and writing supplies for issue to all inmates during incarceration. Clean clothing and linens are issued weekly in exchange for clothing and linens to be laundered. A laundry operation is maintained to clean all clothing and linens. All services are performed with inmate labor under staff supervision.

In addition, FPS maintains an Inmate Trust Fund account for all monies on deposit for each inmate. Monthly inmate earnings received for work with Federal Prison Industries, performance pay, and money from family, friends or other sources during visits or via the mail are deposited directly to each inmate's account. Inmates can withdraw funds when needed to make purchases from the commissary, send money to family members, pay for legal services or pay for supplies to participate in programs such as college courses or leisure activities.

Accomplishments and Workload: Actual and estimated accomplishments of the Inmate Care Program are presented in the following tables:

Item	1984	1985	Estimates 1986	Estimates 1987
Food and Farm Services:				
Meals provided	95,124	101,502	109,707	113,436
Pounds of food served per inmate per day	5.38	5.38	5.38	5.38
Percent of Recommended Dietary Allowance	100%	100%	100%	100%
Number of farms operated	3	2	2	2
Value of farm products produced	$1,446,000	$1,616,012	$1,625,708	$1,631,398

Item (Con't)	1984	1985	Estimates 1986	1987
Medical Services				
Outpatient visits	980,464	1,069,452	1,085,280	1,122,070
Inpatient admissions	5,432	6,224	6,316	6,401
Complete physical exams	46,107	63,873	64,818	65,686
Vision refractions	11,328	12,340	12,523	12,948
Laboratory tests	727,652	828,780	830,989	859,065
Surgical procedures	8,094	9,484	9,624	9,950
X-rays	72,914	78,836	80,003	82,715
Consultant visits (institution and community)	63,983	73,588	74,677	77,208
Dental visits	157,787	178,596	181,239	187,383
Dental exams	35,554	38,376	38,944	40,264
Dental Procedures	92,351	98,948	100,412	103,816
Other Inmate Services:				
Supply of clothing/footwear	157,505	172,468	177,642	181,195
Supply of linens	236,164	253,876	261,492	266,722
Laundry manhours	12,593	13,113	13,375	13,643
Inmate Trust Fund collections ($ in 000's)	$36,623	$35,676	$36,746	$37,848
Inmate Trust Fund disbursements ($ in 000's)	$36,896	$29,020	$29,600	$30,192

The Federal Prison System (FPS) continues to provide three nutritional meals daily. These meals are certified for nutritional adequacy by registered dieticians and are well within the Recommended Dietary Allowances of the Department of Agriculture's National Research Council.

In addition, FPS continues to provide offenders with adequate, comprehensive, accessible, and high quality health care services. The FPS has 24-hour or 16-hour medical coverage, as appropriate, at all of its institutions and the MCFP, Springfield, Missouri, and the FCI's Lexington, KY, Butner, NC and Terminal Island, CA have maintained accreditation by the Joint Commission on Accreditation of Hospitals. With funding approved in 1985, the FPS acquired the former state mental hospital in Rochester, Minnesota, and is now converting this facility for use as a 500-bed medical/psychiatric referral center.

The FPS also continues to provide inmates with clean clothing, footwear, toiletries, linens, writing supplies during incarceration and continues to maintain the Inmate Trust Fund. During 1985, the Inmate Trust collected $35,675,819 for deposit in inmate accounts and disbursed a total of $29,019,627.

Program Changes: The request includes $2,404,000 to provide for a projected increase in the average daily population of 1,243 from 36,569 in 1986 to 37,812 in 1987. Within this amount, $1,169,000 is for food supplies, $985,000 is for medical services and supplies and $250,000 is for clothing, footwear, bedding, toiletries, etc. In addition, 1 position, 1 workyear and $675,000 are included in this level to provide resources to activate new facilities in 1987 as follows:

Facility	Estimated Activation Date	Food and Farm Service Pos.	Food and Farm Service WY	Food and Farm Service Amount (in 000's)	Medical Services Pos.	Medical Services WY	Medical Services Amount (in 000's)	Other Inmate Services Pos.	Other Inmate Services WY	Other Inmate Services Amount (in 000's)
Montgomery Housing Unit	4/87	1	1	106	...	...	56	...	...	26
El Reno Segregation Unit	4/87	...	...	27	...	...	21	...	...	5
Other Activation Requirements		...	...	254	...	...	150	...	...	30

The other activation requirements provide for additional equipment to activate modernization and repair projects scheduled for completion during 1987 including the expansion of the core facilities at Allenwood and Tucson and the Witness Protection Unit at Otisville.

	1986 Appropriation Anticipated Perm. Pos.	WY	Amount	1987 Base Perm. Pos.	WY	Amount	1987 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Institution Security.....	4,600	4,389	$124,666	4,600	4,409	$127,072	4,619	4,423	$127,692	19	14	$620

Long-Range Goal: Provide institution security, inmate control, and inmate supervision to assure maximum protection for the community, staff, and inmates consistent with program requirements in all FPS facilities.

Major Objectives:

Reduce or minimize the situations and opportunities which can lead to prohibited acts such as escapes, homicides, assaults, suicides, and drug transactions.

Maintain an effective transportation system for prisoners in conjunction with the U.S. Marshals Service.

Meet correctional standards in all institutions.

Base Program Description: All institutions are assigned a security classification based in part on the physical design of each facility. There are six security level classifications, number one being the least restrictive and number six the most restrictive. Offenders are assigned a custody status which relates to the degree of supervision needed, and from a security and custody standpoint, are assigned to an institution. The result is a grouping of offenders with similar custodial needs in an institution.

Within each institution, correctional officers are assigned to security posts which are primarily established on the basis of structural/visual considerations. Supervision of inmates is provided in living units, visiting areas, dining halls, recreation areas, and any other area where inmates may be located or have access to. The two basic categories of security are perimeter security and internal security. Perimeter security consists of a walled or fenced perimeter supplemented by manned gun towers, razor tape concertia wire strung between a double fence, high mast lighting to illuminate the perimeter, perimeter patrols and highly technical equipment such as alarm systems and video surveillance. Entrances through the perimeter are controlled by a series of gates, both electrical and manual, supplemented by metal detection systems and search procedures for weapon and contraband control.

For all practical purposes, all other security measures, processes and activities can be called internal security, which commences when an inmate is committed and terminates upon his/her release. Included within this process are both metal detection and physical search procedures and intake screening to insure the safety of newly committed offenders within the general population. Medical screening is also accomplished to protect the general population from disease and health hazards.

To monitor inmates, regularly scheduled counts are conducted several times a day in all institutions. Work supervisors and program personnel are held strictly accountable for all inmates under their supervision. Violations of institution regulations are dealt with through the Inmate Disciplinary Process. Correctional staff investigate the incident, prepare a report and submit it to the Unit Discipline Committee, which usually consists of a unit manager, case manager and a correctional counselor. Depending on the seriousness of the charge, the Unit Committee may hear and decide the case or refer it to the Institution Discipline Committee for hearing and decision. There is an administrative remedy process for appealing decisions of the Committee.

Administrative Detention/Disciplinary Segregation are programs for separation from the general population of offenders who require special protection and for those who pose a serious escape risk or threat to the security and orderly operation of the institution. Disciplinary Segregation provides segregation of offenders who have committed serious prohibited acts within the institutional setting. Inmates are held in segregation only after a due process hearing where the inmate is given the opportunity to rebut the charge against him.

Much staff time is consumed in the monitoring of identified members of prison "gangs" such as the Mexican Mafia, Aryan Brotherhood, Nuestra Familia, Black Guerilla Family and Texas Syndicate, organizations whose constitutions advocate violence, drug trafficking, sexual activities and theft. If these groups can be controlled, then they will be unable to realize their goals within the institution.

In coordination with the United States Marshals Service, the Federal Prison System maintains a prisoner transportation system including the transportation of Witness Security inmates.

Assaults, escapes and other prohibited acts are normally a violation of Federal statutes requiring FBI investigation and referral to the U.S. Attorney's Office for a determination whether or not to prosecute. Prosecution of these incidents enhance staff, inmate, and public safety. Successful prosecution frequently hinges on the initial response and handling of the crime scene and subsequent procedures by institution staff. This requires a highly trained, educated, and professional team of correctional officers.

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Security program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Confined population	51,286	56,637	60,889	62,132
Successful confinement rate	99%	99%	99%	99%
Incapacitation rate	99.3%	99.4%	99.4%	99.4%
Security staff coverage rate	86.7%	85.6%	88.6%	87%
Overcrowding	28%	33%	35%	35%

Confined population includes the inmate population at the start-of-year plus admissions during the year. The successful confinement rate is the percent of those inmates who will not be involved in assaults, homicides and suicides. The incapacitation rate is the percent of inmates confined who will not escape. As illustrated in the above table FPS continues to minimize the situations and opportunities which lead to prohibited acts. In 1985, only one percent of the total confined population were involved in assaults, homicides, suicides and escapes.

To minimize opportunities for the commission of prohibited acts, FPS has established staffing guidelines for its facilities as a result of an ongoing full-field review which considers the institution's security level, posts and rated capacity. The security staff coverage rate is the percent of institution posts such as front entrance, control room, housing units, segregation/detention, visiting rooms, perimeter security activities areas, etc., that can be covered with available staff (workyears). Covering all posts improves security and is a factor in reducing the incidents of negative inmate behavior. However, there are other factors such as the general population becoming more violent and overcrowding which have significant impact on negative behavior. For example, overcrowding was a factor in the New Mexico State Penitentiary riot in 1981 as well as a riot in an Oklahoma State facility in 1982.

In order to improve our ability to properly classify offenders and protect staff and inmates alike, FPS developed and implemented a new security designation and classification system. Since 1980, when the system was fully implemented, there have been declining rates of inmate on inmate as well as inmate on staff assaults. This system results in a security level classification of every inmate and institution from security level one, the lowest security level, to level six, the highest. The purpose of the system is to send inmates to the least restrictive facilities that provides appropriate security. This significantly reduces the mixing of predatory and non-predatory offenders.

During 1985, the prisoner transportation system handled approximately 65,000 moves. In addition, 700 Witness Security cases were relocated without incident.

Program Changes: The request includes $177,000 to provide for security supplies associated with a projected Federal inmate population increase of 1,243 from 36,569 in 1986 to 37,812 in 1987.

In addition, the request provides 8 positions, 8 workyears and $186,000 to continue to operate a Witness Security Unit at the Federal Correctional Institution (FCI), Tallahassee, Florida. Recently, FPS established a 24 bed Witness Security Unit at FCI, Tallahassee. Over the last few years there has been a significant increase in the number of prisoners entering the Witness Security Program from the

southeast. In addition, it has become increasingly difficult to provide adequate security for those inmates in county jails and the available federal facilities. The lack of a safe facility in the southeast has also made it necessary for the Assistant U.S. Attorneys and agents to travel long distances at great expense and loss of time to interview witnesses. A short term witness security unit at Tallahassee provides the necessary security and greater convenience for the prosecutors and agents. While this new unit was not identified in the 1986 Budget, there should be adequate resources from the delayed activation of housing units included in that request to cover the staff and funding requirements during 1986. However, those resources will be required for their requested purpose during 1987. This request along with a request in the "Unit Management" Decision Unit of 2 positions, 2 workyears, and $64,000 will provide the resources to continue operation of the unit during 1987.

The request also includes 11 positions, 6 workyears and $257,000 to provide resources to activate new facilities in 1987 as follows:

Facility	Estimated Activation Date	Resources		
		Pos.	WY	Amount (in 000's)
Montgomery Housing Unit	4/87	5	3	97
El Reno Segregation Unit	4/87	6	3	73
Other Activation Requirements		...	...	87

The other activation requirements include equipment to activate the modernization and repair projects scheduled for completion during 1987 including the expansion of the core facilities at Allenwood and Tucson and the Witness Protection Unit at Otisville.

Notwithstanding the critical shortage of correctional officers at existing institutions, this budget requests no additional staff for the institution security program for 1987 in anticipation of an austere budget climate.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Unit Management	1,260	1,202	$44,388	1,254	1,211	$44,578	1,261	1,216	$45,683	7	5	$1,105

Long Range Goal: To establish a safe, humane environment which minimizes to the extent possible, the detrimental effects of confinement; and to provide a variety of counseling programs which are most likely to aid inmates in a successful adjustment to the institution and, upon release, a successful return to the community.

Major Objectives:

Subdivide the inmate population into small well-defined and manageable groups whose members develop a common identity from close association with each other and their unit staff.

Increase the frequency of contacts and improve relations between staff and inmates resulting in: a) better communication and understanding between individuals; b) more individualized classification and program planning; c) more valuable program reviews and program adjustments; d) better observation of inmates, enabling early detection of problems before they reach critical proportions; e) development of common goals which encourage unit cohesiveness; f) a more positive living and work atmosphere for staff and inmates; and g) more efficient accountability and control of inmates.

Ensure that decisions regarding inmates are made by staff most closely associated with those inmates, increasing the quality and swiftness of the decisions.

Provide program flexibility so that programs promote behavorial changes.

Provide opportunities for individual and group counseling in each unit.

Provide drug abuse programs for inmates who have the need and motivation to participate.

Base Program Description: The purpose of the Unit Management program is to improve inmate control and establish healthy relationships between staff and inmates by dividing the large institution population into smaller, more manageable groups. A team of multi-disciplinary staff who have administrative and supervisory authority in most institutional aspects of programming and living are permanently assigned and located in the unit to work with the inmates. This places services closer to the users and permits decision-making by those who are most knowledgeable of the inmates and their programs. The increased interaction between inmates and staff enhances communication and understanding of inmate needs to a level not possible in a centralized correctional environment. The program is carried out through the proper classification of inmates and development of inmate programs on the basis of need and motivation.

Accomplishments and Workload: Actual and estimated accomplishments of the Unit Management program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Average Daily Population	31,394	33,834	36,569	37,812
Number of Units	160	168	182	186
Counseling Hours	430,884	436,208	440,570	443,874
Initial Classification Studies	18,126	18,307	18,856	19,045
Parole Hearing Reports	30,150	30,753	31,676	31,993
Study & Observation Reports	803	677	691	705
Transfer Reports	11,275	11,694	11,811	11,929
CTC Referral Reports	7,463	7,480	7,555	7,631
Furloughs Processed	16,688	17,189	17,361	17,535
Releases	20,509	23,266	24,197	25,165

59-584 O—86——34

The Federal Prison System has virtually met its goal of establishing functional unit management in most of its major facilities. Recently, however, it has become necessary in some instances to return to a centralized management system or to administratively combine two units into one larger unit under the supervision of one unit manager. This action results from a system wide security staff shortage due to increasing population levels. There are a total of 160 functional units in FPS institutions including 28 drug abuse programs.

FPS continues to use the Security Designation System to place each individual inmate in an institution with the Security Level most appropriate for that inmate. Institutions are rated from Security Level 1 (minimum security) to Security Level 6 (maximum security). Once an inmate is placed in the proper institution, the Unit Management system provides further opportunity for an even more refined inmate classification scheme, which places an inmate in a specific unit which has security and programs most appropriate for that inmate.

Program Changes: The request provides an additional $170,000 for contract services and supplies associated with the projected population increase of 1,243 from 36,569 in 1986 to 37,812 in 1987. In addition, this level includes 2 positions, 2 workyears and $64,000 to continue operation of a witness security unit at FCI, Tallahassee (for more information on this increase see the Decision Unit "Institution Security"). This level also includes 5 positions, 3 workyears and $871,000 to activate or expand this program at the following facilities scheduled for completion during 1987:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount (in 000's)
Montgomery Housing Unit	4/87	3	2	178
El Reno Segregation Unit	4/87	2	1	84
Other Activation Requirements		...	...	609

The other activation requirements provide for the equipment to activate several modernization and repair projects scheduled for completion during 1987 including the replacement housing unit at Eglin; the segregation units at Tallahassee, Oxford and Safford; and Leavenworth Cellhouse "A".

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Programs	647	641	$31,751	643	642	$32,547	645	644	$32,959	2	2	$412

This budget activity finances the costs of academic, social and occupational education courses, leisure time activities and religious and psychology services.

Long Range Goal:

Provide general and occupational education opportunities to all inmates desiring or required to participate;

Provide Federal offenders with a full range of recreation and leisure activities to improve their physical and mental health and promote the development of personal, interpersonal and social skills to better enable them to cope with the psychological and physical impact of their incarceration;

Provide all prisoners with reasonable and equitable opportunities to pursue individual religious beliefs and practices within the constraints of confinement;

And provide immediate and long-term psychological care for Federal inmates with mental health problems and assist in the decision making of the courts, prison administrators and parole officials.

Major Objectives:

Provide education programs designed to meet inmate needs for functional literacy, high school equivalency, continuing education, and personal growth and to enhance their employability upon release.

Maintain education program certification or accreditation by regional Associations of Colleges and Schools or other appropriate accrediting agencies.

Expand institutional library services to meet ACA standards by establishing inter-library loan agreements; by utilizing mobile or rotating library collections; and/or by directly providing adequate library services.

Increase involvement of institution-based psychology staff in identifying learning disabled inmates and assist instructional staff to select the appropriate teaching methods and techniques to be used.

Provide a variety of indoor and outdoor physical, cultural, and related leisure activities with opportunities to belong to social and other groups.

Increase the number of institutions which have Artists-In-Residence.

Make available the appropriate worship services of the various religious disciplines represented within the inmate population.

Provide a variety of non-worship religious program options.

Provide psychological screening for every inmate admitted to the FPS.

Establish base rates of incidence of the different types of mental health problems found in the inmate population.

Provide psychotherapy to all inmates who desire and need it.

Provide crisis intervention counseling to every inmate in crisis.

Provide psychological evaluations requested by the courts, parole officials, and prison administrators.

Continue special treatment programs in drug abuse and alcohol abuse units.

Base Program description: Inmate programs include general and occupational education courses, leisure time activities and religious and psychology services.

General education programs are designed to meet specific inmate needs for functional literacy, high school equivalency, continuing education, and personal growth. There are five major components of the general education program: Adult Basic Education (ABE), General Education Development (GED), Adult Continuing Education (ACE), Postsecondary Education (PSE) and Social Education.

The ABE component is designed for the 20 percent of the inmate population having less than a sixth grade education. The GED component is for the nearly 50 percent of Federal offenders who lack a high school diploma and consists of high school equivalency courses and general equivalency diploma examinations. ACE Courses are designed for inmates who have a desire to "brush up" in a special area or enroll in a special interest program, e.g., speed reading, English, mathematics, contemporary issues, history and foreign language. PSE courses are for inmates who have successfully completed high school and went to further their education, e.g., drafting, real estate, data processing, and dental technology. The Social Education component helps inmates develop a positive self image and adequate social skills.

Occupational education programs serve to enhance the employability of offenders upon release, particularly those who either lack a solid employment history or a saleable skill. The majority of Federal offenders are unskilled at the time of commitment to prison. Federal offenders can choose a vocation, through instruction, work experiences, and career orientation; acquire or improve productive work skills and habits; and gain practical knowledge essential to working and functioning in a complex industrial-technical world of work. Approximately 15,000 Federal offenders will have the opportunity to participate in these training activities through the following five major components of the occupational education program: Exploratory Training, Pre-industrial Training, Vocational Training, On-the-Job Training and Apprentice Training.

Exploratory training involves study of industries and occupations for a general knowledge of the world of work rather than specific skill development. Pre-industrial training is short-run training for a targeted job in prison industries. Vocational training includes instruction and training in specific entry-level or advanced skills. On-the-Job training consists of organized instruction and training under actual working conditions in institution service and maintenance shops and Federal Prison Industries' factories. Apprentice training provides journeyman level instruction and training through structured apprenticeship programs approved at the state and national levels by the Bureau of Apprenticeship and Training, U.S. Department of Labor.

A wide variety of leisure time activities are offered at each Federal prison including indoor and outdoor individualized (weightlifting, jogging, etc.) and group (basketball, touch football, volleyball, etc.) athletic activities and arts and crafts (ceramics, painting, drama, leathercraft, music, etc.). Chess and bridge clubs are organized in many institutions; inmate drama groups put on plays and, at times, write their own plays; and inmate bands in country, rock and soul music perform concerts for the inmate population. Movies and invited guest performances are scheduled as frequently as possible.

Chaplaincy personnel within FPS are responsible for personally delivering the religious services of their particular faith group and for arranging the delivery of religious services of other faith groups. FPS annually issues approximately 225 contracts for the delivery of services of the smaller faith groups and other related religious services. FPS Chaplains also recruit, train, supervise, and sustain approximately 2,500 volunteers from the community who regularly visit the institution to participate in the religious programming. FPS

staff Chaplains, contract Chaplains and volunteer clergy routinely conduct over 12,000 religious worship services each year representing the various religious disciplines within the prisoner population. In addition to worship services, chaplaincy personnel offer numerous other religious program options including counseling services for family crises, marriages, deaths, illnesses, pregnancies, abortions and marital problems. Bible and Koran studies, moral growth seminars, group counseling, retreats, revivals, choirs, marriage enrichment programs, parenting seminars, cursillos, etc., are offered weekly. In an average institution, there are usually about 360 non-worship meetings annually.

Staff Chaplaincy visit at least once weekly inmates who are confined without freedom of movement in areas such as segregation and the hospital. In addition, visits are made to the visiting room, housing units, work assignment areas, and to prisoners confined to community hospitals and jails. Staff Chaplaincy coordinate numerous community-based religious activities for prisoners which include furloughs and day trips for seminars, retreats, workshops, religious education courses, prayer meetings, religious holiday observances, and special worship experiences.

Psychology staff are an integral part of correctional treatment administering programs of group and individual psychotherapy, crisis intervention, personal development classes, and staff consultation/training. Policy requires that every inmate admitted to a FPS facility be given an initial psychological screening which consists of psychological testing, psychological interview, social history review, and behavorial observation. The purposes of the screening are to identify special treatment and/or referral needs; provide information useful in future crisis-counseling situations; identify strengths as well as potential adjustment problems to imprisonment; and discuss possible program needs with the inmates and provide information about them. The Minnesota Multiphasic Personality Inventory (MMPI) is the psychological screening test used. The results of the screening are summarized in a report placed in both the inmate's central file and the psychological file.

Both individual and group psychotherapy is offered on a voluntary basis to those inmates who express a desire and evidence need for it. Training and orientation programs are also offered for developing "life competency skills". These have proven successful in improving personal skills and knowledge including communication, assertiveness, self-image, interpersonal relationships, conflict resolution, problem solution and work skills. Short-term crisis counseling has only recently been acknowledged by mental professionals as a powerful, viable skill. Not only have FPS psychologists gained expertise in this area, but they also have provided training and consultation to staff in all institutions. FPS psychologists have traditionally provided the courts, parole officials and prison administrators with quality psychological evaluations. Many of these presentence evaluations have resulted in the diversion of offenders from the institution to the community.

Accomplishments and Workload: Actual and estimated accomplishments of this program are presented in the following table:

Education:			Estimates	
Enrollments	1984	1985	1986	1987
Adult basic education	9,502	10,241	11,037	11,887
Adult continuing education	11,465	10,519	10,729	10,944
General education development	5,935	5,538	5,649	5,762
Social education	13,501	13,092	13,223	13,355
Post secondary education	11,859	12,952	14,146	15,450
Occupational education	14,211	15,254	16,373	17,574

	1984	1985	Estimates 1986	1987
Completions:				
Adult basic education	5,044	5,267	5,500	5,743
Adult continuing education	6,207	5,786	5,844	5,902
General education development	3,094	2,648	2,674	2,700
Social education	10,932	9,561	9,656	9,753
Post secondary education	6,853	7,377	7,941	8,548
Occupational education	7,721	8,090	8,477	8,882
Formal leisure activities, enrollments	15,210	15,362	15,666	15,823
Formal leisure activities, completions	9,049	9,139	9,320	9,413
Religious Services:				
Worship	12,000	12,000	12,070	12,070
Non-worship programs (represent monthly totals)	15,480	15,480	15,565	15,565
Psychology Services:				
Court evaluations	1,501	1,628	1,766	1,915
Routine evaluations	30,827	32,064	33,346	34,680
Individual therapy sessions	31,120	31,300	31,481	31,663
Group therpy sessions	8,519	9,008	9,525	10,072
Participants in group therapy	25,965	26,017	26,069	26,121
Crisis intervention sessions	23,591	24,580	26,610	27,724
Staff training sessions	3,120	4,110	4,337	4,467
Unit team meetings	9,170	9,210	9,250	9,290

All inmates except those specifically exempt, e.g., detained aliens, who function below the 6.0 grade level are now enrolled in an ABE program. In addition, the total number of GED tests administered during 1985 was 3,675. (A pilot program effort is in effect to raise the literary requirement to 8.0 grade level.) PSE programs continue to have one of the highest retention rates of all education programs in the Federal facilities and completion rates in college courses are in excess of 65%. In 1985, Federal prisoners earned approximately 133 college degrees, 113 AA's and 20 BA's.

Education services at the Federal Correctional Institutions (FCI's) Alderson, WV; Danbury, CN; Lompoc, CA; Milan, MI; Morgantown, WV; Oxford, WI; Pleasanton, CA; Sandstone, MN and Terminal Island, CA, Terre Haute, IN; the Federal Prison Camp, Boron, CA and Safford, AZ; Tallahassee, FL; United States Penitentiary (USP) Lewisburg, PA; and the Medical Center for Federal Prisoners at Springfield, MO are now accredited by the regional commissions of colleges and schools. In addition, accreditation procedures are in progress at several other institutions.

Apprenticeship programs have been expanded to 310 training units in 79 different trade classifications at 32 institutions. In 1985, 718 inmates enrolled in apprenticeship programs and 212 completed the institution-scheduled portion of the program. Uniform curriculum performance standards were established for Adult Basic Education, machine shop and welding vocational courses. Computer assisted instruction was implemented at the FCI Lexington and USP Leavenworth.

FPS continues to provide 100 percent of the psychological screening for every inmate admitted to FPS, the psychological evaluations requested by the courts, and the crisis intervention counseling. In addition, the base rates of incidence of mental health disorders have been established using a centralized MMPI scoring and data collection system.

Program Changes: In 1987, FPS projects an average daily population of 37,812, an increase of 1,243 over the 1986 estimate of 36,569. Included in the request level is $323,000 to provide supplies and contract services for the increased population as follows: Education, $187,000; Leisure Activities, $78,000; Religious Programs, $37,000; and Psychology Services, $21,000.

In addition, 2 positions, 2 workyears and $89,000 are requested to permit the activation of new facilities scheduled in 1987 as follows:

Facility	Estimated Activation Date	Education Programs			Leisure Program			Religious Program			Psychology Program		
		Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)
Montgomery Housing Unit	4/87	1	1	34	1	1	26	...	...	3	...	...	...
El Reno Segregation Unit	4/87	...	...	5	...	...	2	...	...	...	...	...	...
Other Activation Requirement		...	...	19	...	...	...	...	...	...	...	...	...

The other activation requirement provides for equipment to activate the expansion of the Core Facilities project at Tucson scheduled for completion during 1987.

Activity: Institution Administration and Maintenance

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration	1,335	1,319	$70,501	1,327	1,317	$72,068	1,328	1,317	$72,430	1	...	$362
Staff Training	64	68	7,766	63	68	8,088	63	68	8,102	...	...	14
Institution Maintenance	855	821	79,568	845	814	82,993	846	814	85,058	1	...	2,065
Total	2,254	2,208	157,835	2,235	2,199	163,149	2,237	2,199	165,590	2	...	2,442

This budget activity covers all costs associated with the general administration, operation and maintenance of facilities. Included are functions of the warden's office, legal counsel, personnel, financial management, records office, safety, staff training, mechanical services, motor pool operations, power house operations and other administrative functions.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration.....	1,335	1,319	$70,501	1,327	1,317	$72,068	1,328	1,317	$72,430	1	...	$362

Long Range Goal: To continue to provide effective and innovative administration at all institutions and continually seek ways to improve existing administrative practices and procedures.

Major Objectives:

Provide executive direction and control at each institution.

Manage each institution's financial resources.

Assemble and maintain an effective workforce and administer personnel policies.

Maintain effective procedures for the processing and disposition of Federal offenders.

Maintain standards for safe and healthy working/living conditions.

Base Program Description: The Institution Administration program consists of an institution's executive staff, financial management office, personnel office, administrative systems office and safety office.

The executive staff at each institution including wardens, associate wardens and executive assistants provide overall direction and implement policies.

The financial management office is charged with the management and control of all allotted funds with responsibility for procurement, property management, warehousing, issuing supplies, equipment, contracting for services, disbursement and collection of monies and collection and input of all data for the automated accounting system and employee payroll.

The personnel office in assembling and maintaining an effective workforce, advertises all vacancies, collects applications, establishes promotion boards and prepares a list of eligibles. The personnel office ensures that all position descriptions are current and accurate. It serves as the management representative to the union, develops manpower plans for institutions and plays a major role in recruiting minorities to meet Equal Employment Opportunity goals.

The administrative systems office is responsible for the processing of detainers and the admission, transfer, sentence computation for and discharge of all Federal prisoners. The admission process entails the identification of inmates, review of court documents, fingerprinting, photographing, and disposition of personal property. Following admission, the administrative systems office performs sentence computation, which involves adjustments due to U.S. Parole Commission action, Institution Disciplinary Committee actions and good time. This office also maintains relationships with Federal, state and local law enforcement agencies, including the courts and parole boards regarding the criminal status of incarcerated and released inmates. Administrative systems staff work with the U.S. Marshals Service and Federal Prison System bus and airlift personnel to coordinate prisoner transfers and consolidate all inmates' records.

In addition, the administrative systems office provides paralegal services such as answers to show cause orders; determinations in sentence computation problems; interpretations of court orders; representation of the institution in court matters pertaining to inmate records; and providing expert testimony regarding sentence computation. The office is also responsible for the processing of all institution mail.

The safety program involves the inspection of institutions for sanitation, rodents, unsafe working conditions and presence of hazardous chemicals. The safety officer is responsible for processing accident reports and compensation forms for employees.

Accomplishments and Workload: Actual and estimated accomplishments for the Institution Administration program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Purchase Orders	92,829	95,614	96,570	98,501
Accounting Transactions	1,630,750	1,686,208	1,703,070	1,720,100
Payments	289,668	295,461	294,161	300,044
Commitments Processed	21,875	22,968	23,494	23,964
Transfers in Processed	11,132	11,694	12,279	12,402
Other Movement in (Furloughs, Writs, etc.)	73,917	75,518	76,273	77,036
Discharges	12,368	11,633	11,749	11,866
Transfers Out	18,422	19,191	19,383	19,577
Other Movement Out	73,466	75,677	76,434	77,198
Detainers Processed	5,188	4,283	4,326	4,369
Personnel Actions (internal placement)	20,400	25,000	26,250	27,500
Safety Inspections	2,870	2,900	3,000	3,000
Accident/Injury Investigations	1,875	2,250	2,000	2,000
Fire Investigations	150	289	250	200

FPS continues the use of the Financial Management Information System (FMIS) which provides management instant information with regard to funds and established limitation levels. A training program for Trust Fund operations at FCI Fort Worth was developed and implemented during 1985. In addition, a training couduring 1985. In addition, a training course for Budget Analysts was developed and implemented in June 1985.

The merit promotion plan is being revised to establish unique knowledge, skills, and abilities for each position. Applicants will be measured against the established requirements prior to selection. In addition, all wage grade positions have been reviewed by comparing on site work and established standards. Action has been taken to align employees with position standards. Also, urinalysis testing and height/weight standards have improved vouchering techniques for the selection of new employees. New procedures have been implemented to improve and to add consistency to the interviewing process. Affirmative action continued at a vigorous rate. The FPS work force at year end was 33 percent minority including 26 percent female.

Administrative systems workload (number of new commitments, releases, bus runs, airlifts, etc.) continue to remain at a high level with no decrease projected in the near future.

Program Changes: This request provides $133,000 for the additional inmate record supplies and equipment resulting from a projected population increase of 1,243 from 36,569 in 1986 to 37,812 in 1987. This request also includes 1 position and $229,000 to activate or expand this program at the following facilities scheduled for completion during 1986:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount (in 000's)
Montgomery Housing Unit	4/87	1	...	108
El Reno Segregation Unit	4/87	...	...	38
Other Activation Requirements		...	...	83

The other activation requirements provide for the equipment to activate the Expansion of Core Facilities projects at Allenwood and Tucson scheduled for completion during 1987.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Staff Training	64	68	$7,766	63	68	$8,088	63	68	$8,102	...	...	$14

Long-Range Goal: To communicate current policies and procedures to all staff and to teach them the skills and techniques necessary to maintain a safe, secure and productive correctional environment.

Major Objectives:

Provide three weeks introductory and correctional training for all new staff and advanced correctional classes for experienced employees.

Provide job specialty training including executive/management classes.

Instruct trainers.

Provide institution-based operations training for all staff.

Base Program Description: Staff training is being provided on site at each of the institutions; at three residential training centers; through external training provided by the Office of Personnel Management and other Federal agencies; by colleges and universities; and by private agencies.

The Federal Prison System operates a training academy at Glynco, Georgia which provides three weeks of introductory correctional training for all new employees. This modern facility accommodates up to forty-eight students. The training academy facilities include housing for the students, rifle ranges, and adequate space for firearms, self-defense, and disturbance control training. Course materials are organized and written and provide instruction on abnormal behavior, community programs, counseling systems, the dynamics of prejudice, equal employment opportunity, employee conduct and responsibility, employee stress management, escapes, fire prevention, first aid, correctional practices, inmate discipline, interpersonal communications, and legal issues.

Most of the FPS's meetings, workshops, and conferences are held at the management and specialty training center in Denver, Colorado.

This center can house thirty-five students at costs substantially less than they would be at a motel. The center conducts a wide range of courses for supervisors and program managers and also trains trainers for the institutions' locally conducted courses. These include courses for equal employment opportunity counselors, unit managers, correctional counselors, correctional supervisors, medical records technicians, hospital administrative officers, case managers, and industrial mid-managers. The training center offers courses for required instructor certification in firearms, self-defense, disturbance control, and interpersonal communications.

The Federal Prison System also operates a Food Service and Trust Fund Training Center at the Federal Correctional Institution (FCI), Fort Worth, Texas.

Of necessity, most training must be conducted on site at the institutions. Each institution has a Training Coordinator who plans, manages, and organizes the institution's training programs. Certain institution-conducted courses are required by national policy. For example, each new employee must be given one week of orientation training immediately upon entry on duty. Each experienced employee must be given correctional refresher training each year in such subjects as self-defense, disturbance control, firearms, fire protection, and inmate supervision. Each new case manager and unit manager must complete a self-study course in case management operations within sixty days of appointment. Each new employee of Federal Prison Industries must complete an industrial operations course within thirty days after entry on duty.

Accomplishments and Workload: Actual and estimated accomplishments for the Staff Training program are presented in the following table:

1064

Item	1984	1985	Estimates 1986	1987
External Training Provided	3,878	2,403	2,455	2,492
STC Training Provided	1,901	2,445	2,449	2,473
MSTC Training Provided	813	1,323	1,400	1,500
Internal Training Provided	26,908	27,704	28,523	29,093

Program Changes: In 1987, the request includes $14,000 to provide some training for new positions.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Maintenance	855	821	$79,568	845	814	$82,993	846	814	$85,058	1	...	$2,065

Long-Range Goal: Continue preventive maintenance program, provide continuous service of all utilities in the most energy efficient manner, and provide transportation services in support of institutional operations.

Major Objectives:

Purchase utilities or maintain and operate utility systems and central power plants.

Maintain and operate telecommunication and transportation services.

Maintain the interior of all buildings such as plumbing, electronics, masonry, mechanics, carpentry and painting.

Maintain the exterior of all buildings including landscaping, gardening, fence repair and painting.

Base Program Description: The Institution Maintenance Program addresses the problem of maintaining and operating the physical plants of the Federal Prison System (FPS).

These facilities vary in age from 100 years to buildings recently constructed. Over fifty (50) percent of the facilities are more than 30 years old which is the expected life of buildings without major repairs.

The facilities are situated on approximately 29,000 acres and the buildings contain approximately 15 million square feet of floor area, all of which must be maintained and furnished utility services. Additionally, this program provides for maintenance and operation of approximately 700 vehicles.

These facilities contain complex heating and air conditioning systems, large, high pressure steam power plants, large quantities of sophisticated hospital equipment, emergency electrical power systems and fire protection and life safety systems. Each institution maintains communication systems including complete private automatic branch exchange telephone systems, radio systems including base station and mobile units and several electronic detection and control systems.

Institution maintenance requirements are identified through facilities inspections conducted as part of the on-going preventive maintenance program; through formal semi-annual inspections; and through requests for specific needs identified by institution staff members. This program provides for maintenance projects estimated to cost $4,000 or less. Maintenance requirements in excess of $4,000 are included in the "Modernization and Repair" program of the "Buildings and Facilities" appropriation.

The work within this program is accomplished almost entirely by inmate crews under staff supervision. Each work crew consists of a staff foreman and between five and fifteen inmates. Each institution must have staff with experience and training in each phase of construction and maintenance work. Highly skilled work foremen are required in several trades such as steamfitters, air conditioning mechanics and electronics repairmen. A few specific jobs are contracted out because special skills or equipment items are required, or because the work may be extremely dangerous. Examples of these jobs are elevator inspection and repair, radio frequency alignment, and water tower painting.

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Maintenance program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Major maintenance projects completed ($200-$4,000)	640	903	929	933
Minor maintenance projects completed ($200 or less)	111,615	130,739	134,465	135,054
Power plants operated	30	30	30	30
Energy Consumption:				
Electricity (KWH)	227,483,743	242,514,391	249,426,051	250,517,366
Natural Gas (cu ft)	2,156,861,187	1,813,315,802	1,882,508,302	1,873,155,223
#2 Fuel Oil (gal.)	1,538,076	1,358,073	1,396,778	1,402,809
#6 Fuel Oil (gal.)	386,427	503,860	518,220	520,487
Coal (Tons)	12,218	13,008	13,379	13,438
Propane (gal.)	1,103,140	1,143,724	1,176,549	1,181,702
Purchased Steam (lbs.)	4,031,879	4,327,420	4,451,616	4,471,114
Purchased Chilled Water (Ton Hours)	1,417	912	938	942
Vehicle miles driven	7,642,365	8,723,884	8,974,259	9,013,566

FPS completed a pilot program for a totally automated maintenance management system at FCI Ray Brook successfully. During 1985 the program was expanded into other institutions and the regional office in the northeast region. Plans are to expand the program to all institutions in the next few years.

1066

Program Changes: The request includes an increase of $1,731,000 for utilities, trash removal, and maintenance supplies commensurate with a projected population increase from 36,569 in 1986 to 37,812 in 1987. In addition, this level includes 1 position and $334,000 to activate or expand this program at the following facilities scheduled for completion during 1987:

Facility	Estimated Activation Date	Resources Pos.	Resources WY	Resources Amount (in 000's)
Montgomery Housing Unit	4/87	1	...	$110
El Reno Segregation Unit	4/87	...	...	21
Other Activation Requirements		...	...	203

The other activation requirements provide for additional costs associated with activating several modernization and repair projects scheduled for completion during 1987 including Oxford, Safford and Tallahassee Segregation Units; the Allenwood and Tucson core facilities; Leavenworth Cellhouse "A"; and the Otisville Witness Protection Unit.

	1986 Appropriation Anticipated Perm. Pos.	WY	Amount	1987 Base Perm. Pos.	WY	Amount	1987 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Contract Confinement	71	78	$55,383	69	76	$56,762	69	76	$56,762	...	...	...

This budget activity provides for the care of federal offenders in contract facilities. Funds for this activity also support the contract development and monitoring activities of the Community Program Managers.

Long Range Goal: To provide, through contract, high quality and diversified state, local and private facilities to house all offenders requiring confinement outside the Federal Prison System (including Community Treatment Centers).

Major Objectives:

Place all offenders committed under the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974 in appropriate non-federal juvenile facilities.

Place juveniles near their homes and in community-based facilities whenever possible.

House those offenders who are in danger in Federal institutions, in state correctional institutions or other facilities.

House offenders with sentences of up to 180 days or less in local detention facilities.

Provide community residential resources to all FPS releasees deemed eligible and appropriate for release to a Community Treatment Center (CTC).

Release inmates to CTCs for an average length of stay of 120 days.

Provide 100% of the community residential program bed-space requested by Federal courts, the Probation Service and the Parole Commission.

Monitor contract Community Treatment Centers with less than 3,650 inmate days a year annually (minor use facility), and those with 3,650 inmate days or more biannually (major use facility).

Provide training for all contractors annually.

Provide accurate and timely information to the Central Inmate Monitoring and Witness Protection tracking system.

Keep the Federal law enforcement agencies aware of changes in FPS policy, sentencing alternatives and other areas of concern.

Maintain close relationships with state and local correctional agencies to exchange information and manage resources.

Provide individual case management services to inmates confined in contract facilities.

Base Program Description: While FPS has a large number and variety of correctional institutions in which to provide for the care and custody of Federal offenders, there are certain categories of offenders that are confined in state, local and private facilities. These include persons committed under the Federal Juvenile Justice and Delinquency Prevention Act, who must be separated from adult offenders as well as placed in community-based facilities near their residence whenever possible; adult offenders, whose lives might be endangered in Federal facilities (protection cases); and offenders with short sentences (generally 180 days or less) who are placed in local detention facilities (jails) for service of sentence.

In addition, FPS contracts with State, local and private community treatment centers for community residential bedspace for offenders; who are eligible and need a pre-release transition program at the end of their sentences before returning to the community; who the Federal courts determine need more than probation and less than full institution confinement and services; who are under probation or parole supervision but need more intensive services and/or programs than can be provided under the "street" supervision of the U.S. Probation Officer; and who are committed directly from court generally serving short sentences. Contract CTCs provide services to inmates attempting to establish themselves as fully functioning citizens while still under supervision. Available services include individual and group counseling, supervised living quarters, employment and placement assistance.

Community Programs Managers (CPM's) negotiate and monitor contracts for the boarding of Federal offenders in State and local institutions and in private residential community treatment centers.

The CPM's also make recommendations for designation of newly sentenced offenders and are responsible for the placement of direct commitments to non-Federal facilities. They provide case management services to all Federal inmates placed in non-Federal institutions and serve as technical consultants to contractors on FPS Policy.

In addition, CPM's serve as the FPS liaison with members of the U.S. Marshals Service, U.S. Probation Service, U.S Parole Commission, Federal courts, other Federal agencies, state and local government agencies and local community agencies. There are presently 39 CPM's stationed in 33 major cities throughout the United States.

1068

Accomplishments and Workload: Actual and estimated accomplishments for this program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Number of contracts with juvenile facilities	75	36	40	40
Number of contracts with adult facilities	59	39	39	39
Number of contracts with jails	410	340	360	380
Number of contracts with community treatment centers	280	330	340	350
Contract monitoring:				
Major use facility	65%	56%	50%	50%
Minor use facility	70%	82%	75%	75%
Designations	24,872	28,417	33,000	36,000
Average daily population:				
Juveniles	91	95	95	95
Adult Offenders	110	172	150	150
Short Termers	668	834	1,200	1,350
Contract Community Treatment Centers	2,452	2,754	3,300	3,300
Number of Federal inmates admitted to non-Federal facilities:				
Juveniles	57	60	60	60
Adult Offenders	88	110	95	95
Short Termers	3,344	5,130	8,000	8,600
Number of Federal inmates admitted to Contract Community Treatment Centers:				
Pre-Releasees Admitted	7,150	7,635	7,950	7,950
Court Referrals Admitted	1,122	1,408	1,445	1,445
Probation/Parole Referrals Admitted	1,750	2,546	2,650	2,650
Average Length of Stay in CTCs (days)	100	100	100	100
Resources by Program Element:				
Community Program Management	$2,915	$3,040	$3,649	$3,805
Contract State and local institutions	$11,473	$14,674	$19,533	$20,019
Contract Community Treatment Centers	$25,162	$29,180	$32,201	$32,938

Since 1977, with only minor exceptions, the FPS has been able to place all juveniles in non-Federal juvenile facilities. During 1985, FPS contracted for the confinement of an average daily population of 95 juveniles. Roughly 24 percent of the juveniles are placed in community-based facilities and 27 percent are confined in their state of residence which enhances the opportunity to use available community resources and increases opportunities for visits from relatives and friends. In addition, FPS used adult state correctional institutions to house an average daily population of 172 adult Federal prisoners who needed protection and those who had special needs. We believe this action has prevented some deaths and assaults and has allowed these inmates to live in the general population and participate in programs. This program also allows approximately 5,130 short term offenders (or an average daily population of 834) to remain in their home community, near families and friends. It also saves the Government transportation expenses to and from a Federal institution.

1069

Since January 1982, the FPS has increased the number of inmates confined in contract CTCs from 948 to approximately 2,750 today. Currently the FPS is providing community residential programs to 87% of all FPS releasees deemed eligible and appropriate for release to a CTC [illegible] an average length of stay of 100 days. Community Programs Managers continue to closely monitor CTC placements to insure maximum utilization of CTC bed space within funds available.

A pilot program was implemented in 1983 in the Washington, D.C area for offenders with sentences of up to one year for whom institutionalization is unnecessary but probation or a regular CTC program is either not appropriate or adequate. This program, called the Community Correctional Center (CCC), provides more security and has less privileges than a CTC. In addition, performance of community service work is mandatory and the inmate must contribute to his room and board. A second CCC program was developed in 1984, and future expansion is planned for 1986.

An added benefit of contracting for the confinement of Federal prisoners in non-Federal facilities is that contract based population results in a reduction to FPS institution based population and thus reduces overcrowding. For example, in 1984, confinement of Federal prisoners in contract facilities reduced institution based population by 9.5%. In 1985, institution based population was reduced by 10.2% and in 1986 and 1987 FPS estimates a reduction of 11.5%.

Activity: Program Direction	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	225	249	$11,222	223	247	$11,353	223	247	$11,353	...	...	...
Administrative Services.....	185	197	16,112	182	195	17,461	182	195	25,481	...	...	$8,020
Total.....	410	446	27,334	405	442	28,814	405	442	36,834	...	...	8,020

This budget activity covers the costs of regional and central office executive direction and management support functions such as the executive staff, regional and central office program managers, research and evaluation, program analysis, budget development, policy development and implementation, system support, financial management, personnel, ADP, space management, and legal services.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	225	249	$11,222	223	247	$11,353	223	247	$11,353	...	...	...

Long Range Goal: To continue providing effective, comprehensive direction and leadership to the Federal Prison System (FPS) by coordinating, initiating and evaluating planning and operational activities through the various central office branch chiefs, regional office program managers and the executive staff.

1070

Major Objectives:

Establish and enunciate policy.

Provide legal counsel on correctional issues.

Plan, develop, coordinate, and evaluate FPS programs and activities.

Investigate alleged employee misconduct.

Maintain capabilities to respond effectively to public and congressional inquiries.

When necessary and appropriate, assist state correctional systems, the District of Columbia Department of Corrections, the U.S. Marshals Service, the Immigration and Naturalization Service and other jurisdictions experiencing difficulty by housing their offenders.

Assist state and local governments in their efforts to acquire surplus Federal property for correctional use.

Have all Federal institutions as well as Central and Regional Offices accredited by the Commission on Accreditation for Corrections.

Base Program Description: The overall administration of the Federal Prison System is located in the central office and five regional offices. The following describes the organization and functions of these offices.

The Executive Staff which plays a major role in FPS management and operations, includes the Director, all Assistant Directors, Medical Director, Associate Commissioner for Federal Prison Industries, and all Regional Directors. The Executive Staff reviews all major issues and determines major policy for the FPS.

The General Counsel provides legal assistance and advice to the Federal Prison System including adjudication of grievances and appeals filed under the FPS's EEO program; review of FOIA requests; final appeal on Administrative Remedy Procedures; coordination of litigation; interpretation of laws and directives; review of policy and procedures for legal implications; and other legal assistance as necessary.

The Assistant Director for Correctional Programs is responsible for programs for the care, custody and correction of inmates including institution security, inmate custody, case management, unit management, chaplaincy and psychology services, staff training and community programs. He is also responsible for the function of personnel management.

The Director of the Medical Services Division is responsible for establishing a systemwide health care program. The Medical Director is also responsible for the FPS's farm operations, food services, inmate compensation programs, and safety and sanitation.

The Assistant Director for Administration is responsible for the Bureau's construction and mechanical services activities for new and existing facilities; program planning and evaluation; research; budget development; financial management; and information systems.

The Associate Commissioner for Federal Prison Industries, Inc. (FPI) reports directly to the Director and to the Federal Prison Industries Board of Directors. The Associate Commissioner is responsible for FPI Industrial Operations and Corporate Management and educational and leisure programs.

The Office of Inspections is responsible for investigating violations of standards of professional conduct by employees and officers of the Federal Prison System, for providing overall guidance in program auditing and for monitoring the correctional standards/accreditation review process.

Accomplishments and Workload: Actual and estimated accomplishments for the Executive Direction and Control program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Policy Statements Issued	50	50	52	54
Change Notices	75	75	75	75
Operations Memoranda	311	315	320	320
Public Affairs Reports and Requests	4,725	4,725	5,000	5,000
Congressional Inquiries	5,000	5,000	5,250	5,250
Tort Claims	1,900	2,000	2,150	2,250
FOIA/Privacy Act Cases	4,575	5,175	5,675	6,175
Administrative Remedy Cases	20,000	20,000	20,000	20,000
EEO Cases	90	90	95	95
Investigations of Alleged Violation of Standards of Professional Conduct	180	178	180	180

Accomplishments: Since January 1981, FPS has experienced a dramatic 56 percent growth from 23,783 inmates to approximately 37,142 inmates. This current population is housed in facilities which are rated for a capacity of 25,472, resulting in a 11,670 bed deficit or an overcrowding rate of 38 percent. While the population has grown by 56 percent, staff and funding (expressed in constant 1981 dollars) grew by only 14 and 32 percent respectively, indicating significant productivity gains systemwide.

The FPS continues to lend assistance to many state correctional systems experiencing difficulty by housing their offenders. Currently, there are approximately 808 state offenders in FPS facilities. In addition to state prisoners, there are approximately 2,500 from the District of Columbia and 117 territorial prisoners serving sentences in Federal Prisons. To assist the U.S. Marshals Service in housing unsentenced Federal prisoners due to their inability to renew or negotiate contracts with state and local jails because of overcrowding, the FPS has established or expanded jail units for pre-trial detainees at several institutions including the Bastrop, Terminal Island, Memphis, Milan and Talladega Federal Correctional Institutions and the Metropolitan Correctional Centers at Chicago, Miami, New York, San Diego and Tucson. There are approximately 2,784 pre-sentence detainees in FPS facilities. In addition, at the request of the Immigration and Naturalization Service, the FPS also is housing approximately 1,891 Cuban refugees.

FPS institutions continued the accreditation process. To date, 38 institutions have been accredited for three year terms. Eighteen of these represent re-accreditations. Ninety percent of the Bureau's fully operational facilities are involved in the accreditation program.

During 1985, the Office of Research conducted major studies on the United States Penitentiary at Marion, IL; the validity of prison classification systems; institution substance abuse program evaluation; pre-release stress on prison inmates; and the post release employment of federal inmates. A survey of a cohort of employees hired in 1984 was also conducted. These individuals will serve periodically as staff research subjects. Major projects were initiated on the effectiveness of community treatment center placement, the impact of 1984 sentencing legislation on the Bureau of Prisons inmate population, staff attitudes toward prisoners, staff and inmate mental health at the U.S. Penitentiary, Marion, IL, and Equal Employment Opportunity; research needs and availability of information in corrections; an alternative to incarceration, Youth Corrections Act offenders; and the research program at Butner, NC. In addition, a major project was initiated on evaluating the relationship of institutional training to post-release employment.

	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	183	197	$16,112	182	195	$17,461	182	195	$25,481	...	...	$8,020

Long Range Goal: Provide for effective personnel administration including equal employment opportunity; an efficient and responsive financial management system including procurement and property management; and systems support administration and oversight.

Major Objectives:

Increase the rate of hiring minorities and women to ensure their representation in the workforce.

Increase the number of minorities and women promoted to management and supervisory positions.

Review local labor contracts as they are negotiated assuring compliance with master agreement prior to approval.

Complete analysis of all Merit System Protection Board and arbitration decisions of the past 12 months to determine patterns and identify potential problems.

Provide current and accurate financial management information.

Place more emphasis on cost center management (primarily through training) to ensure greater program manager involvement in the management of funds.

Conduct financial management reviews at all institutions.

Continue to i[illegible]ment SENTRY multi-terminal systems as required.

Improve system-wide service and teletype telecommunication system.

Base Program Description: The central and five regional offices are responsible for the functions of personnel management; maintenance of equal employment opportunity; medical services; financial management, including procurement and property management; and ADP services, records management, mail, printing, reproduction, and space management.

Personnel administration is largely regulated by the government-wide merit system and requires considerable planning and coordination with both the Department of Justice and the Office of Personnel Management. Coordination is necessary with colleges, high schools, civic groups, public and private groups and organizations in order to recruit an efficient work force. Increased hiring of minorities and women is accomplished through recruitment campaigns, visits to colleges and universities and other similar programs. EEO specialists have been placed in each region in order to help carry out this program.

Training is provided to appropriate personnel in labor/management relations and arbitration. Provisions of newly negotiated Master Agreements and local supplemental agreements are communicated widely to increase employee involvement, particularly field employees, in the process. Merit System Protection Board and arbitration cases are reviewed and analyzed to provide more thorough insight into labor/management policy problems.

Financial Management provides for the design, development, and implementation of financial systems and the maintenance and continuous analysis, evaluation and modification of existing systems to ensure compliance with statutory and regulatory requirements and to meet the administrative needs of the FPS. Financial Management establishes property accounting, cost-based budgeting practices and suitable internal control procedures; and develops and provides financial reports on the fiscal status, financial results of operations, and the cost of the FPS's operations. Financial Management is also responsible for the development of the FPS's financial operating plans and the administration of funds appropriated to the FPS. Financial audits are conducted to ensure field compliance with policies and regulations. Those audits are scheduled to accomplish a financial review of each field location every 18 months.

The Property Management and Procurement functions are also the responsibility of Financial Management. This includes procurement responsibility for all services and supplies; the administration of regulations for all procurement and personal property and administrative legal claims matters; and the review and interpretation of statutes and regulations of other government agencies relating to all phases of property management and procurement.

In addition, Financial Management is responsible for special inmate services (including commissary, inmate trust fund, and laundry). Commissary operations provide opportunities for inmates to purchase items above the necessities of life. Inmate trust fund operations account for all monies on deposit for each inmate. Laundry operations provide all inmates clean clothing, footwear and linens. Other inmate services include provisions for toiletries and writing supplies.

1074

The FPS's batch inmate information system provides a variety of demographic information on the inmate population, but is of limited use because the information is not timely. For the past few years the FPS has been involved in the implementation of the SENTRY system, an on-line system which performs up-to-the minute locator status information on all individuals under the custody of the Attorney General. It provides population counts and refined inmate demographic statistics; interagency and intra-institution population movement, schedules, notices, and statistics; and it will automatically compute and update sentence computations. It will also provide base program data for other information modules under development or to be developed.

Accomplishments and Workload: Actual and estimated accomplishments for the Administrative Services program are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Personnel Surveys	22	25	30	30
EEO Recruitment Activities	84	88	95	95
Representation of Women in the FPS Workforce	20	47.3%	48%	48%
Representation of Minorities in the FPS Workforce	25%	34.7%	35%	35%
New Hires - Women	36%	68.5%	69%	69%
New Hires - Minorities	32%	60.8%	61%	61%
Promotion - Women	26%	63.3%	64%	64%
Promotions - Minorities	28%	41.3%	42%	42%
Arbitration Cases	90	85	80	80
Financial Management Reviews	18	16	28	30
System Support Batch ADP-Supported Sites	53	53	54	54
BOP SENTRY Sites	88	88	89	90
USMS SENTRY Sites	8	9	10	10
USPC SENTRY Sites	6	6	6	6
U.S. Attorney SENTRY Sites	1	1	1	1
DOJ SENTRY Sites	1	1	1	1
U.S. Probation Office	0	2	2	3

During 1981, all FPS facilities were equipped with a single SENTRY terminal. Multi-terminal SENTRY was also initiated in 1981 and fifteen sites were equipped. During 1982, an additional eighteen sites were equipped with multi-terminal systems. In addition, a Legal Reference System and an Electronic Mail Module were added to the SENTRY System. Also, in 1982, the Office of Enforcement Operations in the Department of Justice was added to the network. The Inmate Information System batch processing was transferred from SYCOR to SENTRY in 1983. The Electronic Mail System was enhanced to provide service to virtually all employees. A Legal Litigation System was also added to SENTRY in 1983. Installation of the multi-terminal configuration was completed at all existing facilities in 1984. During 1985, a major module change was accomplished, adding a sentence monitoring module to enhance computation of inmate sentences. Also added was a designation system and automated custody classification. Existing transactions were changed to broaden and enhance current programs; also the application manual was rewritten. While significant improvements and service have been provided by SENTRY the equipment is becoming antiquated and the central data center concept can no longer support local and end-user computing demands.

FPS is currently developing an on-line Integrated Financial Management System. The system will replace the current batch system and will include accounting, procurement, and the Trust Fund operations.

FPS negotiated a new master contract between BOP and AFGE. A register for Physician Assistants was activated and established based on delegation of authority from the Office of Personnel Management. Training was conducted for all field personnel offices in the recently developed workforce utilization program which utilizes the management of both workyears and positions.

Program Changes: The current SENTRY system remote terminal hardware has provided on-line interactive access to the SENTRY data base since 1978. The equipment and the concept of a central data center are no longer adequate to meet current and projected future needs. Consistent with the Department's and the FPS's long-range ADP plan, the FPS is seeking funds to establish a distributive data processing system, which would provide a variety of benefits. Core-data essential to system-wide management would be maintained in the Department's data center. Mini- and micro-computer at the institution would address local computing needs while providing word processing, electronic mail, spreadsheet, graphics, and other localized functions that will enhance institutional operations. The request level provides $8,020,000 to maintain and improve the ADP program. Included within this amount are the following:

- $4,823,000 is requested to replace existing SENTRY terminal equipment with mini-computers, software, and intelligent workstations. The total replacement cost is estimated to be $7,234,100.

  The present SENTRY terminal equipment is based on an obsolete technology; 3277 terminals are cable-connected to 3271 controllers. These clusters have no local intelligence for local processing requirements. The equipment which was refurbished when acquired is old and is expected to present major maintenance problems within the next two years. This equipment does not permit distributed processing or end-user computing. FPS proposes to acquire new equipment with local intelligence and multiple-function capabilities. The mini-computers will provide for a variety of capabilities including, local programming and computing, local area network and control of the data forwarded and retrieved from the central data center. The micro-computers will serve as multi-function workstations which will provide the capability to access interactivity with the central data center and the institutional mini-computers. As multifunctioning workstations with common integrated software they will also provide the end-users with computing capability, word processing, graphics, spreadsheets, and other functions available in today's micro-computer environment.

  In major facilities, the workstations would be clustered via cable connection to an intelligent communications controller which would be linked via leased private phone line or the Department's network to the Justice Data Services Center. Each workstation would have the ability to communicate interactively with the host computer systems available (SENTRY, JUST, etc.), or operate off-line with common local software loaded to the workstation from the host computer. Intelligent workstations would also permit a great deal of traffic to be off-loaded from the host computer and communications network, thereby providing greater efficiency for those transactions which must take place on-line.

- $3,197,000 is requested to pay for rapidly increasing Justice Data Center processing charges. In 1982, daily transaction volume in SENTRY averaged about 22,000 and the Bureau's payment to the data center was $3,179,277. The data center charges increased in 1983 and 1984 to $4,554,990 and $4,964,569 respectively for an average daily transaction volume in SENTRY of 90,000. With the implementation of an on-line Inmate Trust Fund and an on-line Financial Management System, average daily transactions are expected to significantly increase to 145,000 in 1986 and 167,000 in 1987. Projected costs of $7,366,000 in 1986 and $7,366,000 in 1987 are consistent with data cost trends and anticipated increases in transaction volume. In the past, funds from other vital inmate program areas had to be reprogrammed to meet data center costs.

Federal Prison System

Salaries and expenses

Justification of Multi-Activity Program Increases
(Dollars in thousands)

Program/Activity	Montgomery Housing Unit			El Reno Segregation Unit			Tallahassee Witness Security Unit			Other Activation Requirements	Population Increase
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Amount	Amount
Inmate Care	1	1	$188	...	...	$53	...	...	...	$434	$2,404
Institution Security	5	3	97	6	3	73	8	8	$186	87	177
Unit Management	3	2	178	2	1	84	2	2	64	609	170
Inmate Programs	2	2	63	...	...	7	...	...	...	19	323
Total, Inmate Care, Custody and Programs	11	8	526	8	4	217	10	10	250	1,149	3,074
Institution Administration	1	...	108	...	...	38	...	...	...	83	133
Staff Training	...	...	7	...	...	7	...	...	...	...	...
Institution Maintenance	1	...	110	...	...	21	...	...	...	203	1,731
Total, Institution Administration and Institution Maintenance	2	...	225	...	...	66	...	...	...	286	1,864
Total	13	8	751	8	4	283	10	10	250	1,435	4,938

1077

Activate Montgomery Housing Unit
Funds were approved in 1986 for the construction of a housing unit at FPC Montgomery ($2,600,000). Construction is scheduled for completion in April 1987. The request will provide funds for activation and operation for six months during 1987.

Activate El Reno Segregation Unit
Funds were approved in 1986 for the construction of a segregation unit at FCI El Reno ($2,800,000). Construction is scheduled for completion in April 1987. The request will provide funds for activation and operation for six months during 1987.

Operate Tallahassee Witness Security Unit
Recently, FPS established a 24-bed Witness Security Unit at FCI, Tallahassee. Over the last few years there has been a significant increase in the number of prisoners entering the Witness Security Program from the southeast. In addition, it has become increasingly difficult to provide adequate security for those inmates in county jails and the available federal facilities. The lack of a safe facility in the southeast has also made it necessary for the Assistant U.S. Attorneys and agents to travel long distances at great expense and loss of time to interview witnesses. A short term witness security unit at Tallahassee provides the necessary security and greater convenience for the prosecutors and agents. While this new unit was not identified in the 1986 Budget, there should be adequate resources from the delayed activation of housing units included in that request to cover the staff and funding requirements during 1986. However, those resources will be required for their requested purpose during 1987. This request of 10 positions, 10 workyears, and $250,000 will provide the resources to continue operation of the unit during 1987.

Other Activation Requirements
The request will provide funds for the additional utility and equipment requirements to activate several modernization and repair projects scheduled for completion during 1987 including the expansion of the core facilities at Allenwood and Tucson and the Witness Protection Unit at Otisville; the replacement housing unit at Eglin; the segregation units at Tallahassee, Oxford and Safford; and Leavenworth Cellhouse A.

Population Increase
The 1986 appropriation enacted provides for a population of 33,790. Supplemental funding in the amount of $10,620,000 is requested to provide for a population of 36,569 (2,779 over the previous projection). The request includes an additional $4,938,000 to support the projected 1987 population level of 37,812 (an increase of 1,243 over what is provided for at the base level).

1078

Federal Prison System

Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Inmate Care		Institution Security		Unit Management		Inmate Programs		Institution Administration	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS-12	...	...	...	...	2	$64	...	...	...	...
GS-11	...	...	3	$79	2	53	2	$53	...	...
GS-9	...	...	...	...	3	65	...	...	...	...
GS-8	...	...	...	...	...	...	...	...	1	$20
GS-7	...	...	7	125	...	...	...	...	...	...
GS-6	...	...	9	144	...	...	...	...	...	...
Ungraded	1	$34	...	...	...	...	...	...		
Total positions and annual rate	1	34	19	348	7	182	2	53	1	20
Lapse (-)	...	-17	-5	-100	-2	-62	...	-24	-1	-11
Workyears and compensation	1	17	14	248	5	120	2	29	...	9
Other personnel compensation:										
Overtime	...	1	...	23	...	4	...	1	...	...
Other compensation	...	...	...	9	...	1	...	...	...	...
Total workyears and compensation	1	18	14	280	5	125	2	30	...	9
Personnel benefits		2		46		17		4		76
Travel and trans. of persons		...		37		36		...		5
Transportation of things		...		...		...		...		24
Other rent, comm.		...		...		...		...		...
Other services		781		80		38		199		2
Supplies and materials		1,671		35		11		130		144
Equipment		607		142		842		49		102
Grants, subsidies		...		...		36		...		...
Total workyears and obligations, 1987	1	3,079	14	620	5	1,105	2	412	...	362

1079

Federal Prison System

Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Staff Training		Institution Maintenance		Administrative Services		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS-12	...	...	...	...	...	...	2	$64
GS-11	...	...	...	...	...	...	7	185
GS-9	...	...	...	...	...	...	3	65
GS-8	...	...	...	...	...	...	1	20
GS-7	...	...	...	...	...	...	7	125
GS-6	...	...	...	...	...	...	9	144
Ungraded	...	...	1	$30	...	...	2	64
Total positions and annual rate	...	...	1	30	...	...	31	667
Lapse.(-)	...	...	-1	-15	...	...	-9	-229
Workyears and compensation	...	...	...	15	...	...	22	438
Other personnel compensation:								
Overtime	...	...	...	2	...	...	...	31
Other compensation	...	...	...	...	...	...	...	10
Total workyears and compensation	...	...	...	17	...	...	22	479
Personnel benefits		...		3		...		148
Travel and trans. of persons		12		...		...		90
Transportation of things		...		...		...		24
Other rent, comm.		...		1,445		...		1,445
Other services		2		66		3,197		4,365
Supplies and materials		...		491		...		2,482
Equipment		...		43		4,823		6,608
Grants, subsidies		...		...		...		36
Total workyears and obligations, 1987	...	14		2,065	...	8,020	22	15,677

1080

Federal Prison System

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1985-1987

Category	1985 Authorized	1986 Authorized	1987		
			Management and Productivity Svgs	Program Increases	Total
Attorneys (905)	10	10	...	...	10
Paralegal Specialist (950)	54	55	...	...	55
Other Legal and Kindred (900-998)	218	238	-3	...	235
Correctional Institution Administration (006)	500	516	-2	1	515
Correctional Officers (007)	4,823	5,063	...	21	5,084
Other Miscellaneous Occupations (001-099)	139	144	-3	...	141
Social Sciences, Economics and Kindred (100-199)	672	707	-7	5	705
Personnel Management (200-299)	216	221	-2	...	219
General Admin Clerical and Office Services (300-399)	716	733	...	...	733
Biological Science (400-499)	1	1	...	...	1
Accounting and Budget (500-599)	341	348	-3	1	346
Medical, Dental, and Public Health (600-799)	861	893	-8	...	885
Engineering and Architecture Group (800-899)	22	22	...	...	22
Information and Arts Group (1000-1099)	2	2	...	...	2
Business and Industry Group (1100-1199)	81	81	-2	...	79
Mathematics and Statistics Group (1500-1599)	1	1	...	...	1
Equipment, Facilities and Service Group (1600-1699)	199	207	-2	...	205
Education Group (1410-1411; 1700-1799)	311	320	-2	1	319
Supply Group (2000-2099)	52	52	...	...	52
Upgraded (culinary, farm, mechanical & construction	1,222	1,262	-16	2	1,248
Total	10,441	10,876	-50	31	10,857
Washington	223	223	-5	...	218
U.S. Field	10,218	10,653	-45	31	10,639
Total	10,441	10,876	-50	31	10,857

1081

Federal Prison System

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	10,876	10,585	$556,900
Program Supplementals requested	...	...	10,620
1986 appropriation anticipated	10,876	10,585	567,520
Adjustments to base:			
Savings resulting from management initiatives	-50	-40	-780
Uncontrollable increases:			
Annualization of 1986 program increases	...	48	4,496
Within-grade increases	...	...	2,897
Health benefits costs	...	...	449
Federal Employee's Compensation Act (FECA) - Worker's Compensation	...	...	812
GPO printing costs	...	...	13
DOJ printing costs	...	...	2
GSA recurring reimbursable services	...	...	12
GSA rent	...	...	917
CENTREX	...	...	73
Postal services increases	...	...	117
General pricing level adjustment	...	...	8,578
Total, uncontrollable increases	...	48	18,366
Decreases:			
Nonrecurring activation costs	...	...	-1,722
Federal Telecommunications services	...	...	-254
Total, decreases	...	...	-1,976
1987 Base	10,826	10,593	583,130

1082

Federal Prison System

Salaries and Expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	Work-years	Budget Auth.
Savings resulting from management initiatives	-50	-40	-$780

Reflects the savings targeted by the OMB to be achieved through productivity improvements in 1987.

Uncontrollable increases:

1. Annualization of additional positions approved in 1986	...	48	4,496

This provides for the annualization of 435 additional positions, including 385 positions requested by the Administration and 50 correctional officers added by the Congress.

	Approved 1986 increase	Annualization required
Annual salary rate of 435 approved positions	$9,166	
Less lapse (17%)	-1,566	$1,556
Net compensation	7,600	
Associated employee benefits	2,622	269
Other object classes	7,684	2,671
Total costs subject to annualization	17,906	4,496

2. Within-grade increase	...	...	2,897

This request provides for the additional cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $2,435,000 and benefits $462,000 = $2,897,000).

3. Health benefits costs	...	...	449

The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 4.7 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $448,994 provides funds for increased costs from pay period No. 2 ($366,800) to pay period No. 3 ($384,069) projected for 26 pay periods.

1083

	Pos.	Work-years	Budget Auth.
4. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	$812

This increase reflects an estimate of the billing provided by the Department of Labor for the costs in 1985 of employees' accident compensation. The 1987 amount will be $812,000 over the 1986 base of $5,150,000.

5. GSA rent	...	...	917

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $917,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

6. GSA recurring reimbursable services	...	...	12

Reimbursable payments are made to the General Services Administration for heating, ventilation and air conditioning (HVAC) provided in excess of normal working hours and for guard services. GSA has estimated a 4.5 percent increase of $12,000 over 1986 charges of $266,000.

7. Postal Service increases	...	...	117

In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $117,000 provides for a 10 percent increase over the 1985 budgeted base of $1,170,000.

8. Telephone system line charges	...	...	73

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition, the current system is inflexible, offers no practical means to control costs, and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and data Private Branch Exchanges (PBX). Funding of $73,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connectorlines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million would be included in the 1989 request.

9. Departmental printing costs	...	...	2

The Department is currently projecting a five percent increase over the 1986 printing cost of $39,000. An additional $2,000 will be required for 1987.

	Pos.	Work-years	Budget Auth.
10. GPO Printing costs	...	...	$13
The Government Printing Office (GPO) is currently projecting a six percent increase over the 1986 printing cost of $260,000. An additional $13,000 will be required in 1987.			
11. General pricing level adjustment	...	...	8,578
This request applies only to those objects of expense established through the market system or where non-federal employees are the primary producer of the goods of services rendered. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the price that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
Total uncontrollable increases	...	48	18,366
Decreases (automatic non-policy)			
1. Nonrecurring facilities activation costs	...	...	-1,722
This decrease represents the nonrecurring costs for equipment, supplies, and change of official duty station associated with the 1986 activations.			
2. Federal Telecommunications System (FTS)	...	...	-254
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $254,000 will be subtracted from the 1986 base.			
Total uncontrollable decreases	...	...	-1,976
Total adjustments to base level estimates	-50	8	15,610

1085

Federal Prisons System
Salaries and Expenses
Summary of Requirements by Grade and Object Class

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-6 $72,300	1		1		...	
ES-4 $68,700	13		13		...	
ES-3 $66,232	3		3		...	
ES-2 $63,764	6		6		...	
ES-1 $61,296	1		1		...	
GS-15 $52,262-67,940	109		109		...	
GS-14 $44,430-57,759	170		170		...	
GS-13 $37,599-48,876	247		247		...	
GS-12 $31,619-41,105	657		654		-3	
GS-11 $26,381-34,292	1,526		1,526		...	
GS-10 $24,011-31,211	66		65		-1	
GS-9 $21,804-28,347	1,224		1,224		...	
GS-8 $19,740-25,662	1,357		1,358		1	
GS-7 $17,824-23,170	3,332		3,326		-6	
GS-6 $16,040-20,855	481		487		6	
GS-5 $14,390-18,710	382		382		...	
GS-4 $12,862-16,723	24		24		...	
GS-3 $11,458-14,896	15		15		...	
Ungraded positions	1,262		1,246		-16	
Total, appropriated positions	10,876	$274,813	10,857	$277,186	-19	$2,373
Pay above stated annual rates		1,027		1,082		55
Lapses	-417	-10,576	-368	-9,432	49	1,144
Net full-time permanent	10,459	265,264	10,489	268,836	30	3,572
Other than permanent:						
Part-time permanent	62	881	62	882	...	1
Temporary permanent	43	611	43	611	...	...
Other part-time and intermittent employment	21	305	21	305	...	...
Other personnel compensation:						
Overtime	258	13,556	258	13,694	...	138
Other compensation	217	5,536	217	5,594	...	58
Total, workyears and personnel compensation	11,060	286,153	11,090	289,922	30	3,769
Average ES Salary		($66,999)		($66,999)		
Average GS/GM Salary		($24,604)		($24,908)		
Average GS/GM Grade		(8.62)		(8.62)		

59-584 O—86——35

Federal Prisons System
Salaries and Expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	10,459	$265,264	10,489	$268,836	30	$3,572
11.3 Other than permanent		1,797		1,798		1
11.5 Other personnel compensation		19,092		19,288		196
Total	10,459	286,153	10,489	289,922	30	3,769
Other objects:						
12 Personnel benefits		49,794		51,457		1,663
13 Benefits for former personnel		66		69		3
21 Travel and transportation of persons		9,137		9,674		537
22 Transportation of things		3,937		4,025		88
23.1 Standard level user charges		1,636		2,553		917
23.2 Rental payments to others		100		100		...
23.3 Communications, utilities and miscellaneous charges		42,691		47,089		4,398
24 Printing and reproduction		329		344		15
25 Other services		90,174		97,610		7,436
26 Supplies and materials		64,529		70,545		6,016
31 Equipment		13,112		19,479		6,367
41 Grants, subsidies, and Contributions		1,022		1,100		78
42 Insurance claims and indemnities		19		19		...
Total direct obligations		562,699		593,986		31,287

Summary of Requirements by Object Class (Continued)

(Dollars in thousands)

Object Class	1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
ALLOCATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES						
11.1 Personnel compensation: Military		$3,200		$3,200		...
Total workyears and personnel compensation		3,200		3,200		...
Other objects:						
12.1 Personnel benefits: Military		1,568		1,568		...
13 Benefits for former personnel		...		...		...
21 Travel and transportation of persons		17		17		...
22 Transportation of things		30		30		...
23.3 Communications, utilities and other rent		6		6		...
24 Printing and reproduction		...		...		...
25 Other services		...		...		...
Total direct obligations, HHS Allocation		4,821		4,821		...
Total requirements Salaries and expenses		567,520		598,807		31,287
Relation of obligations to outlays:						
Obligated balance, start-of-year		52,526		68,708		
Obligated balance, end-of-year		-68,708		-87,402		
Outlays		551,338		580,113		

Department of Justice
Federal Prison System
National Institute of Corrections
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985	3
Crosswalk of 1986 Changes	4
Summary of Requirements	5
Justification of Program and Performance	6
Detail of Permanent Positions by Category	8
Summary of Adjustments to Base	9
Justification of Adjustments to Base	10
Summary of Requirements by Grade and Object Class	11
Consulting and Related Services	13

Federal Prison System

National Institute of Corrections

Summary Statement

Fiscal Year 1987

The Federal Prison System is requesting for the National Institute of Corrections for 1987, 41 permanent positions, 41 workyears and $9,495,000. This represents a decrease of $1,505,000 from the 1986 appropriation enacted.

The National Institute of Corrections (NIC) is both a direct-service and a funding agency serving the field of corrections. The Institute was created to promote and support improvements in correctional practices through a variety of activities, including management and line staff development, research and evaluation, information-sharing, policy and standards development and implementation, and technical assistance. The basic objective of the Institute's program is to strengthen corrections at all levels of government, but primarily at the State and local levels.

During 1987, the Institute will continue to emphasize facility planning, design, and construction; programs promoting the use of community sanctions; improved offender classification processes; and assessing the impact of new technology for corrections. In addition, the Institute will respond to State and local requests for technical assistance and will continue the dissemination of correctional information and technology through its clearinghouse activities. The National Academy of Corrections, which is the focal point for NIC's training activities, will continue to provide a variety of training programs to improve the knowledge and skills of executives, managers, and staff trainers from all areas of corrections. In 1987, an increase of $649,000 is required to cover uncontrollable cost increases. This increase is more than offset by a $2,154,000 program decrease, which reflects the Institute's plans to charge State and local governments for training costs, and other program reductions, in an effort to reduce Federal costs.

1090

Federal Prison System

National Institute of Corrections

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

National Institute of Corrections

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, [$11,000,000] to remain available until expended. $9,495,000

(18 U.S.C. 4351-4353; Department of Justice and Related Agencies Appropriation Act, 1986; additional authorizing legislation to be proposed.

Explanation of Changes

No substantive changes proposed.

1091

Federal Prison System

National Institute of Corrections

Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Action on 1986 Request			1986 as Enacted			Funds Sequestered	
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	4.3% Reduc.	Rev. Amt.
1. National Institute of Corrections.....	41	41	$13,166	...	...	-$2,166	41	41	$11,000	-$473	$10,527

1092

Federal Prison System

National Institute of Corrections

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 Proposed Rescission			1986 Appropriation Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. National Institute of Corrections.....	41	41	$13,166	...	...	-$2,166	...	...	...	41	41	$11,000

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress, in failing to take action on a proposed 1985 rescission of $894,000, in effect provided additional carryover funding for 1986. Thus, the same program level could be maintained in 1986 as was proposed. The remaining $1,272,000 reduction was to focus mainly on the non-training programs of the Institute.

1986 Proposed Rescission

The President's 1987 budget proposes a 1986 rescission of $3,315,000 against the Institute's unobligated balances. This proposal, if enacted, will not affect positions, workyears or budget authority for 1986.

Federal Prison System

National Institute of Corrections

Summary of Requirements
(Dollars in thousands)

Adjustments to base:

1986 as enacted.....
Uncontrollable increases.....
Decreases.....
1987 base.....

Estimates by budget activity	1985 Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Institute of Corrections	41	39	$14,000	41	44	$15,434	41	41	$11,000	41	41	$11,649	41	41	$9,495	...	...	-$2,154

1094

Federal Prison System

National Institute of Corrections

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: National Institute of Corrections	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Institute of Corrections.....	41	41	$11,000	41	41	$11,649	41	41	$9,495	...	...	-$2,154

Authorization for this program is contained in the Juvenile Justice and Delinquency Prevention Act of 1974. The primary purpose of the National Institute of Corrections (NIC) is to offer assistance through grants and contracts to state and local correctional agencies. Improving correctional practices at all levels has been a national need recognized by correctional and non-correctional personnel. NIC helps to ameliorate this need through its training, technical assistance, research and standards development activities. The Institute offers information and clearinghouse services to the correctional community and helps state and local correctional agencies build the capacity to do their own research.

Long Range Goal: Provide leadership in moving corrections toward greater professionalism; develop national policies from the guidance and coordination of Federal agencies and initiatives affecting corrections; serve as a national center to which state and local correctional agencies can turn to receive many different types of assistance; and serve as a source of correctional information and knowledge to provide immediate and accurate information about a wide variety of correctional programs, policies, planning standards, and practices.

Major Objectives:

To assist in the improvement of jail operations nationwide so they may become humane, fair, efficient, and effective and comply with legal requirements.

To strengthen correctional programs by effective and efficient utilization of staff and organizational resources.

To increase the effectiveness of correctional programs by expanding the use of alternatives to incarceration and promoting a safe, humane, and constitutional environment for those offenders who must be incarcerated.

To develop the capacity to respond quickly, accurately, and informatively to a wide variety of inquiries on correctional programs, policies, standards, and practices.

To provide training to the correctional community to upgrade skills of personnel.

Base Program Description: The program consists of three elements. The technical assistance element provides specialized assistance to state and local correctional agencies in response to specific requests within selected programmatic areas and supports the collection and dissemination of relevant correctional policies, programs, practices and resource documents. The research, evaluation and policy standards element provides assistance to jurisdictions attempting to develop and implement correctional standards. The training element advances correctional organizational performance through a systematic staff development program.

In an effort to increase coordination, reduce duplication, and upgrade state and local corrections, the National Institute of Corrections has initiated several activities, including developing memoranda of understanding between Federal agencies, placing representatives of several Federal agencies on the NIC Advisory Board, and conducting frequent meetings with representatives from the entire spectrum of correctional practice. An annual plan is approved by the Advisory Board, after which the NIC staff develops a program strategy utilizing training, technical assistance and clearinghouse, policy/program development and evaluation to accomplish the objectives in the plan.

Accomplishments and Workload: Accomplishments of the National Institute of Corrections program are presented in the following table:

Item	1984	1985	Estimates 1986	1987
Application papers processed	387	356	350	350
Grants and contracts awarded	143	150	130	110
Technical assistance provided	847	810	800	760
Training participants	1,793	2,770	2,770	2,000
Training requests	22,000	12,000	12,000	12,000
Information requests	6,900	7,355	7,500	7,500

During 1985, the NIC Academy trained correctional managers in basic and advanced management, legislative processes, planning strategies, organizational design, and fiscal and personnel management. In addition, the Academy presented a variety of training at state and local agencies for almost 500 staff trainers, who subsequently provided the same training for correctional staff in their agencies. Special issue seminars were also offered at the Academy on topics of high priority to those who manage jails, prisons, and community corrections agencies and programs. NIC received 900 and responded to 810 requests for technical assistance during 1985. The Institute's Information Center responded to 7,355 requests for information and materials on correctional topics in 1985.

In 1985, institutional crowding prevailed as the most critical problem in the field of corrections. The Institute provided comprehensive training and technical assistance to high-level policymaking groups in five states on jail and prison crowding issues and provided assistance to many localities experiencing jail overcrowding. The Institute continued its Planning and New Institutions program in 50 jurisdictions and also worked with 27 jails on implementing new models of jail management and operation.

The Institute continued to assist the states in developing their prison industries programs, working with special management inmates, improving institutional management and programs, and planning and designing new facilities. With the $2.5 million added by the Congress in 1984 for vocational training and basic education for prison inmates, the Institute initiated programs to develop and expand computerized educational programming in prisons and to develop materials to assist correctional administrators in providing literacy training for inmates.

Program Changes: The proposed decrease of $2,134,000 in 1987 reflects the Institute's plans to encourage state and local governments to assume part of the costs for NIC-sponsored training, and other program reductions, in an effort to reduce Federal spending.

Federal Prison System

National Institute of Corrections

Detail of Permanent Positions by Category

Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Request
Correctional Institution Admin. (006)	19	19	19
General Administration, Clerical and Office Services (300-399)	16	16	16
Accounting and Budget (500-599)	4	4	4
Information and Arts Group (1000-1099)	1	1	1
Education Group (1700-1799)	1	1	1
Total	41	41	41
Washington	23	23	23
U.S. Field	18	18	18
Total	41	41	41

1097

Federal Prison System

National Institute of Corrections

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	41	41	$11,000
Adjustments to base:			
Uncontrollable increases:			
Within-grade increases	...	...	13
Health benefits costs	...	...	1
GSA rent	...	...	49
General pricing level adjustment	...	...	591
Total, uncontrollable increases	...	...	656
Decreases:			
Federal Telecommunications System (FTS)	...	...	-7
Total, decreases	...	...	-7
1987 Base	41	41	11,649

1098

Federal Prison System

National Institute of Corrections

Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Uncontrollable increases:	
1. Within-grade increases.....	$15
This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is less than one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $14,000 and benefits $1,000 = $15,000.)	
2. Health benefits costs.....	1
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 5 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $1,000 provides funds for increased costs from pay period No. 2 ($1,098) to pay period No. 3 ($1,151) projected for 26 pay periods.	
3. GSA rent.....	49
Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $49,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.	
4. General pricing level adjustment.....	591
This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.3 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to transportation costs, supplies, materials, equipment, contracts with the private sector, utilities and grants. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	
Total uncontrollable increases.....	656
Decreases (Automatic non-policy):	
1. Federal Telecommunications System (FTS).....	-7
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $7,000 will be subtracted from the 1986 base of $176,000.	
Total decreases.....	-7
Total, adjustments to base.....	649

1099

Federal Prison System

National Institute of Corrections

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Request Positions & Workyears	1987 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-4, $68,700	1		1		...	
GS/GM-15, $52,262-67,940	5		5		...	
GS/GM-14, $44,430-57,759	2		2		...	
GS/GM-13, $37,559-48,876	11		11		...	
GS/GM-12, $31,619-41,105	2		2		...	
GS-11, $26,381-34,292	2		2		...	
GS-9, $21,804-28,347	3		3		...	
GS-7, $17,824-23,170	3		3		...	
GS-6, $16,040-30,855	2		2		...	
GS-5, $14,390-18,710	6		6		...	
GS-4, $12,862-16,723	3		3		...	
GS-3, $11,458-14,896	1		1		...	
Total, appropriated positions	41	$1,512	41	$1,514	...	$2
Pay above stated annual rates	...	6	...	6	...	...
Lapses	...	...	...	...	...	...
Net full-time permanent and total WY and personnel compensation	41	1,518	41	1,520	...	2
Average ES Salary		($68,700)		($68,700)		
Average GS/GM Salary		($36,225)		($36,275)		
Average GS/GM Grade		(10.08)		(10.08)		

1100

Federal Prison System

National Institute of Corrections

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Request Workyears	1987 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	41	$1,518	41	$1,520	...	$2
	Total, workyears and personnel compensation	41	1,518	41	1,520	...	2
12	Personnel benefits		188		189		1
21	Travel and transportation of persons		1,309		326		-983
22	Transportation of things		46		48		2
23.1	Standard level user charges		183		194		11
23.2	Rental payments to others		150		170		20
23.3	Communications, utilities & misc. charges		218		220		2
24	Printing and reproduction		123		63		-60
25	Other services		4,760		3,176		-1,584
26	Supplies and materials		100		106		6
31	Equipment		82		36		-46
41	Grants, subsidies, and contributions		3,455		3,523		68
	Total obligations		12,132		9,571		-2,561
	Unobligated balance, start-of-year		-4,998		-551		
	Unobligated balance rescission proposed		3,315		...		
	Unobligated balance, end-of-year		551		475		
	Total requirements		11,000		9,495		
	Relation of obligations to outlays:						
	Obligations incurred, net		12,132		9,571		
	Obligated balance, start-of-year		9,988		5,868		
	Obligated balance, end-of-year		-5,868		-2,809		
	Outlays		16,252		12,630		

Federal Prison System

National Institute of Corrections

Consulting and Related Services
(Dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Consulting Services	$1,320	$1,300	$1,300
Management and Professional Services	205	180	...
Total	1,525	1,480	1,300

Consulting services are used by the National Institute of Corrections (NIC) only for services which are in response to technical assistance requests from state/local correctional agencies. Consulting services are required for providing technical assistance to correctional agency identified areas of concern such as security, staffing, prison industries, physical plant/facility planning, organization and management, legal issues, training, and medical/health care services.

Management and professional services are used only for services provided by outside consultants that affect NIC's internal operations. Professional services are utilized in the areas of development and National Academy of Corrections site selection.

1102

Department of Justice
Federal Prison System
Buildings and Facilities
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Language Changes to the Appropriation Language	4
Crosswalk of 1986 Changes	5
Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985	6
Summary of Requirements	7
Justification of Program and Performance	8
Financial Analysis - Program Changes	21
Status of Construction and Summary of New Facilities Requirements	22
Status of Congressionally Requested Studies, Reports, and Evaluations	25
Detail of Permanent Positions by Category	26
Summary of Adjustments to Base	27
Justification of Adjustments to Base	28
Summary of Requirements by Grade and Object Class	29

Federal Prison System

Buildings and Facilities

Summary Statement

Fiscal Year 1987

The Federal Prison System is requesting for 1987, a total of 70 permanent positions, 65 workyears and $159,152,000 for the Buildings and Facilities appropriation. This request reflects an increase of 13 positions, 13 workyears and $113,089,000 from the 1986 appropriation enacted.

A major objective of the Federal Prison System (FPS) facilities development program is to provide offenders with a safe and humane environment which affords an acceptable level of privacy and is located, where possible, close to the offenders' area of residence. Towards this end, the FPS believes in the construction of smaller, modern institutions which in design and structure accommodate the offering of a complete range of programs and activities for improving offenders' capabilities to achieve crime-free lives.

Current prison overcrowding coupled with projected increases in the Federal inmate population continues to be the major challenge facing the Federal Prison System. Since January 1981, FPS has experienced a dramatic 56 percent growth from 23,780 inmates to an all time high of 37,142 inmates, an average growth of 9.3 percent per year. This population growth is primarily the result of the enforcement and prosecution efforts against drug trafficking and organized crime. Moreover, the enactment of the Comprehensive Crime Control Act of 1984 will in all likelihood further increase the inmate population.

During this period of rapid population growth, the FPS has taken every possible action within available resources to attempt to ensure that Federal inmates continue to serve their sentences in a safe and humane environment. The FPS initiated plans in 1983 to reduce institutional overcrowding to manageable proportions by increasing utilization of Contract Community Treatment Centers and contract State and local facilities, expanding existing institutions, acquiring surplus facilities, and constructing new facilities.

Nevertheless, the fact remains that our current population of approximately 37,142 is housed in facilities which are rated for a capacity of 26,131 in accordance with standards developed by the Commission on Accreditation for Corrections. This results in a 11,011 bed deficit or an overcrowding rate of 42 percent. Based on recent analyses of inmate population trends, prosecution and court statistics and workload projections of the FBI and the DEA, the FPS projects that the inmate population will continue to grow and will be at least 37,812 in 1987 and that it will reach 43,295 by 1991.

The 1987 budget request is a major step toward further reducing institution overcrowding. A total of $140,695,000 is requested to construct three new Federal Correctional Institutions (FCI's) (one each in the northeast, northwest and southeast); to construct a new satellite camp at the Phoenix FCI; and to expand the satellite camp at the U.S. Penitentiary Marion, Illinois. These new facilities will add 2,500 beds to FPS's capacity.

The Buildings and Facilities appropriation contains three budget activities: Planning and Site Acquisition, New Construction, and Modernization and Repair of Existing Facilities.

1104

The activity Planning and Site Acquisition provides resources for the identification and location of suitable sites for the acquisition or construction of new correctional facilities. It also provides for the design of these facilities in a manner consistent with security and program requirements and architectural innovation. As a result of FPS's ongoing review of the availability of surplus facilities, FPS recently acquired and activated a Federal Correctional Institution in Loretto, Pennsylvania and a Federal Medical Center in Rochester, Minnesota. In addition, FPS has approval for the planning and site acquisition of two northeast Federal Correctional Institutions (FCI's) and a southeast FCI and plans to use funds previously provided in 1984 for the acquisition of a surplus facility in Sheridan, Oregon for the planning and site acquisition of a northwest FCI.

In the northeast, the FPS has located two sites, one in Fairfield Township, New Jersey and another in Bradford, Pennsylvania. Currently, the FPS is preparing Environmental Impact Statements and technical feasibility studies and because of both local and Congressional support, the FPS expects to complete the site acquisition process on both facilities during the Spring of 1986. Also, the design of the Fairfield Township facility and negotiations with architectural firms for the design of the Bradford facility is underway. Site preparation should begin during the summer of 1986.

In the southeast, a site was acquired in Marianna, Florida in October 1985 and an Environmental Impact Statement was completed in December 1985. Currently, bids for the site preparation phase are being accepted and after the design is finished, construction could begin in the Spring of 1986.

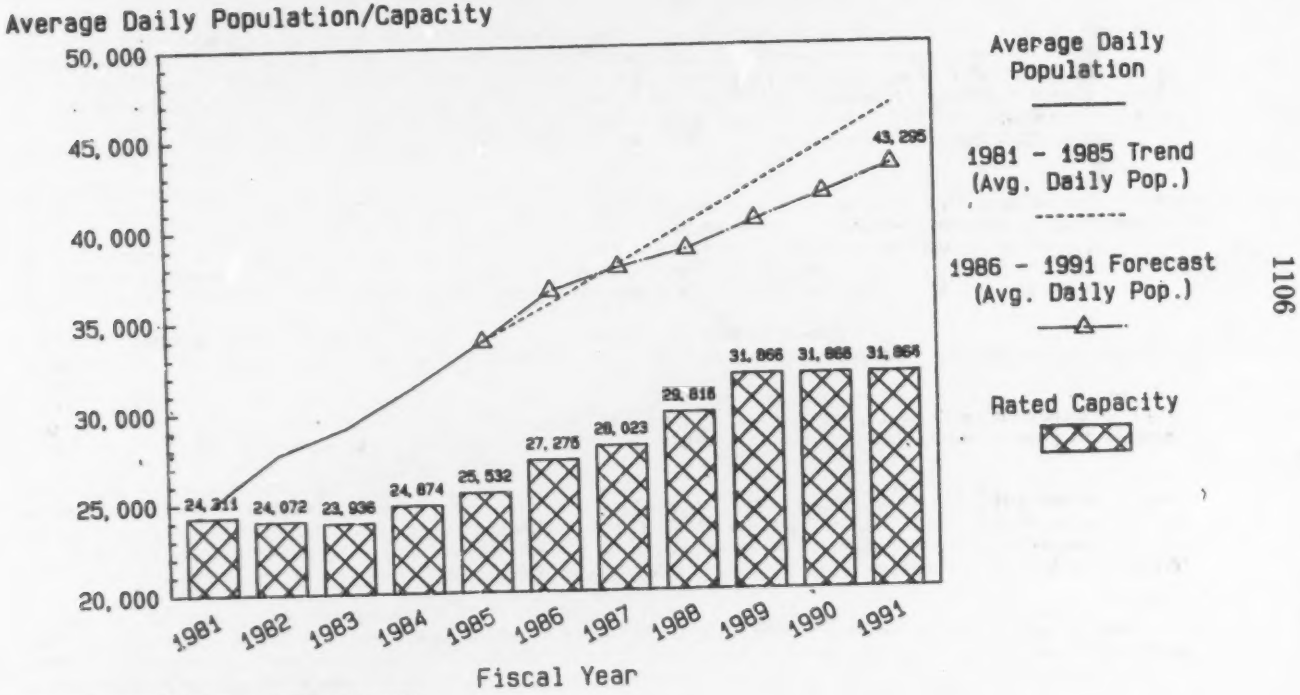
In the northwest, the FPS is currently preparing an Environmental Impact Statement on a site in Sheridan, Oregon and the site acquisition process is expected to be completed in the Summer of 1986. Construction should commence in early 1987.

The activity New Construction provides the resources required to construct new correctional institutions. In 1985, FPS completed construction of a Federal Correctional Institution in Phoenix, Arizona. In addition, the construction of an Alien Detention Center in Oakdale, Louisiana and a Metropolitan Detention Center in Los Angeles, California are scheduled for completion in 1986 and 1988, respectively. Also, FPS has resources for the construction of a northeast FCI, and since a site has been located in Fairfield Township, New Jersey, construction should begin during 1986. In 1987, FPS is requesting 18 positions, 15 workyears and $133,795,000 for the construction of a second northeast FCI, a northwest FCI and a southeast FCI.

The activity Modernization and Repair of Existing Facilities provides the resources to undertake essential rehabilitation, renovation or replacement projects at existing institutions to ensure that structures, utilities systems, and other plant facilities are kept in a good state of repair. Proper maintenance, modernization and repair of our existing institutions is essential, particularly since 50 percent of our facilities are over 30 years old. During the past five years, only $60 million has been appropriated to renovate facilities with a current replacement cost of over $1 billion. This equates to one percent per year for modernization and repair of existing facilities. Failure to adequately maintain structures and utilities systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair.

In 1987, an increase of 4 positions, 4 workyears and $4,335,000 is requested for 10 modernization and repair projects at 9 institutions. The request also includes 1 position, 1 workyear and $500,000 to begin cleaning up hazardous waste sites at FPS institutions. In addition, FPS is requesting 2 positions, 2 workyears and $6,900,000 to construct a Phoenix satellite camp and to expand the Marion satellite camp to reduce overcrowding while minimizing the construction of new institutions.

Bureau of Prisons Population Trends and Estimates Through 1991



Capacity requests thru the 1987 budget would result in an average of 36% overcrowding in 1991. (POPCAP91.BAL)

1106

Federal Prison System

Buildings and Facilities

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Buildings and Facilities

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling and equipping such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [$46,063,000 and from this amount and any unobligated balances of previous appropriations for "Buildings and Facilities", not to exceed a total of $7,100,000 shall be available to renovate or construct a facility for the incarceration of illegal alien felons, in accordance with the standards and procedures of the Federal Bureau of Prisons,] $159,152,000 to remain available until expended: Provided, That labor of United States prisoners may be used for work performed under this appropriation.
(18 U.S.C. 4003, 4009, 4010, 4042 4125; Department of Justice Appropriation Act, 1986; additional authorizing legislation to be proposed.)

Explanation of Changes:

Language deleted was a one-time requirement.

1107

Federal Prison System

Buildings and Facilities

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Planning and Site Acquisition	...	...	...	...	...	...	10	8	...	10	8	...
2. New Construction	19	20	...	...	...	...	-16	-19	...	3	1	...
3. Modernization and Repair of Existing Facilities	38	32	$46,137	...	...	-$74	6	11	...	44	43	$46,063
Total	57	52	46,137	...	...	-74	...	...	...	57	52	46,063

11108

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress reduced the 1986 request by $74,000 to reflect its decision not to restore the 5 percent pay reduction.

Reprogrammings

Continuation of the search to find suitable sites for the acquisition or construction of new correctional facilities will require 10 positions and 8 workyears during 1986. In addition, 6 positions and 11 workyears are required to complete essential rehabilitation, renovation or replacement projects at existing institutions that are behind schedule. Positions and workyears are available in the "New Construction" activity as a result of delays in the construction of the previously approved northeast facility, the completion of the Oakdale facility in December 1985, and the decision to use the General Services Administration to manage the construction of the Los Angeles Metropolitan Detention Center. Salaries and benefits are available from unobligated balances.

Federal Prison System

Buildings and Facilities

Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Reprogrammings			Funds Sequestered			
													4.3% Reduc.	Revised Amount		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
1. Planning and Site Acquisition..	...	...	...	...	...	...	...	...	...	10	8	...	...	10	8	...
2. New Construction.....	19	20	...	...	...	...	19	20	...	-16	-19	...	...	3	1	...
3. Modernization and Repair of Existing Facilities.....	38	32	$46,137	...	...	-$74	38	32	$46,063	6	11	...	-$1,981	44	43	$44,082
Total.....	57	52	46,137	...	...	-74	57	52	46,063	...	...	...	-1,981	57	52	44,082

1109

Federal Prison System

Buildings and Facilities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:

1986 as enacted.....
Uncontrollable increases.....
Decreases.....
1987 base.....

Estimates by budget activity/ program:	1985 as Enacted			1985 Actual			1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Planning and Site Acquisition....	1	1	$7,000	9	9	$3,084	10	8	...	...	...	...	...	...	...	...	...	...
2. New Construction.....	19	20	33,050	13	9	15,629	3	1	...	6	6	...	24	21	$133,7	18	15	$13
3. Modernization and Repair of Existing Facilities.....	55	49	45,993	53	35	39,963	44	43	$46,063	39	37	$13,622	46	44	25,3	7	7	11
Total.....	75	70	86,043	75	53	58,676	57	52	46,063	45	43	13,622	70	65	159,1	25	22	14

1110

Federal Prison System

Buildings and Facilities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Planning and Site Acquisition	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Planning and Site Acquisition.....	10	8	...	...	...	...	...	...	...	...	...	...

This budget activity provides for the identification, location and acquisition of suitable sites for, and design of new correctional facilities to be constructed. Suitable sites may include surplus government property or non-government property.

Long-Range Goals: To provide safe, humane environments for both inmates and staff, which meet the basic human needs for privacy and dignity, which support voluntary programs of self-improvement that prepare inmates for their eventual release into the community, and which minimize the often corrosive effects of institutional confinement. To locate sites as near as possible to large metropolitan areas in order to maximize the use of community resources, enhance staff recruitment and place inmates close to their release destinations.

Major Objectives:

Review FPS capacity requirements.

Locate and acquire suitable, surplus facilities as an alternative to prison construction.

Locate and acquire suitable sites for new construction.

Prepare design programs and concepts for new facilities, including new housing units.

Base Program Description: Planning involves the initial identification of increased capacity needs, as well as the geographical location of these needs. FPS continuously reviews capacity requirements, considering the inmate population level, the geographic origin of the confined population, and the age and condition of present facilities. If projected inmate population levels exceed capacity, FPS makes a determination of whether to: increase capacities of existing institutions; acquire suitable surplus property; increase the utilization of Community Treatment Centers; or construct new facilities.

11111

The FPS has always emphasized alternatives to the construction of new facilities and the most cost-effective approaches to expansion of prison capacity. However, if no suitable alternatives to new prison construction are available, FPS must plan for the construction of new facilities. A suitable site must be located and acquired. The site acquisition process also includes notification of the public, preparation of the Environmental Impact Statement, coordination of the legal procedures necessary for acquisition of the properties and some site preparation work.

In addition, the design of the new facility outlining the function, size, type and relationship of the various spaces as well as a general philosophy of operation must be proposed. Architects and engineers are hired to prepare preliminary concepts, designs and recommendations which are reviewed by FPS staff. Final contract documents are then monitored for correctness, completeness and cost effectiveness. The project is then bid for construction provided that construction funds have been appropriated. This planning and site acquisition process takes from between 12 to 18 months and usually overlaps the construction process by three to six months.

It should be emphasized that within the base program the Federal Prison System (FPS) will not have sufficient resources to satisfy its capacity requirements. Efforts to date to increase capacity by adding housing units at existing institutions, acquiring surplus property, increasing the utilization of contract facilities and constructing new institutions still leave the FPS significantly short of capacity.

The FPS inmate population recently reached an all-time high of 37,142. This population is currently being housed in facilities with a total rated capacity of 26,131, a system overcrowding rate of 42 percent.

This level of overcrowding is unacceptably high. Research studies on prison overcrowding indicate that the normal tensions of institutional living become magnified and can result in increased violence. In addition, changes in prosecution policies over the past several years have resulted in a more criminally sophisticated and violent Federal inmate population.

Since January 1981, the Federal inmate population has increased from 23,783 to 37,142. This dramatic 56 percent increase is the result of the law enforcement initiatives taken by this Administration, particularly the emphasis on drug trafficking and organized crime. Based on long-term trends, short-term projections are that the annual average daily population will be at least 37,812 in 1987 and that it will reach 43,295 by 1991.

The enactment of the Comprehensive Crime Control Act of 1984 will, in all likelihood, further increase the inmate population. The addition of several new Federal offenses in the area of drug trafficking, violent crime, terrorism and computer fraud may all contribute to this increase. The Armed Career Criminal provisions of the legislation provide for a minimum mandatory sentence of 15 years for offenders with prior robbery/burglary convictions. Additionally, the Act establishes a minimum mandatory five year sentence for use of a firearm in a Federal crime of violence. Such provisions have the potential for generating significant inmate population increases. In addition to the creation of several new Federal offenses, the legislation's provisions for the elimination of good time and parole and the establishment of sentencing guidelines by the new Sentencing Commission may have a significant impact on the resource requirements of the FPS. The Marshals Service has estimated that the Bureau's detention population has already increased by 25-30 percent as a direct consequence of the Bail Reform Act provision of the Comprehensive Crime Control Act.

The FPS also sustained a large increase in its population in 1980 as a result of the illegal entry of Mariel Cubans into the United States. Again in 1985, the Cuban population grew from 1,600 to over 1,800 due to criminal convictions in state and local courts and eventual revocation of the Cubans' immigration parole status. There are now over 1,850 Cuban detainees housed in FPS facilities.

1112

The indefinite postponement of the agreement to return the excludable Mariel Cubans and the Department of Justice agreement to accept all D.C. Code felons and misdemeanants sentenced to prison and jail promise larger future populations in the Federal Prison System than previously projected.

The FPS has traditionally assisted other correctional systems by accepting non-Federal inmates in Federal facilities on a contract reimbursement basis. Within the current Federal prison population, approximately 3,425 offenders are non-Federal inmates. The largest single group is approximately 2,500 District of Columbia Code violators. In addition, there are 808 state and 117 territorial prisoners serving their sentences in Federal prisons. It should be noted, however, that the rapidly increasing Federal inmate population and current overcrowding precludes any increase in this assistance. Conversely, the FPS maintains contracts to house some Federal offenders in state and local facilities. Currently, 1,202 Federal offenders are being housed in state and local facilities. Contractual housing arrangements enable Federal and non-Federal correctional systems to better manage inmates with special needs and those who pose other management problems.

In addition to constructing new facilities to reduce overcrowding, the FPS has pursued other options.

The Federal Judiciary and the Federal criminal justice community have traditionally made extensive use of alternatives to confinement. In 1985, two out of three Federal offenders under supervision were in alternatives to confinement. The FPS has also sought to minimize overcrowding of its facilities through using Contract Community Treatment Centers and contract state and local facilities, expanding existing institutions, and by acquiring surplus facilities.

During the past four years, the FPS has increased the Community Treatment Center population from 1,400 to approximately 3,300 inmates. This 136 percent increase has reduced significantly the potential institution based population.

Another alternative to construction of additional capacity is the use of contract confinement facilities. Presently, the FPS contracts with state and local governments for both short and some long-term confinement. Any substantial increases in this program, however, are not possible at the state level due to overcrowding. We will continue to seek out local capacity options as they become available.

From a cost perspective, the expansion of existing institutions is the least expensive technique for increasing FPS capacity. The FPS is currently building additional housing units at facilities where program space can absorb further population increases. However, where major program areas, such as food service, and utilities are already saturated, expansion begins to approach the cost of newly constructed facilities.

The FPS continually reviews Federal surplus and other property for possible acquisition and conversion to a correctional facility. The acquisition and conversion of existing property and structures is much less expensive than new construction and such facilities can be brought on-line in a much shorter period of time. The FPS has had excellent success in the conversion of surplus Air Force Bases to minimum security Federal Prison Camps such as those which exist at Big Spring, Texas and Boron, California. In the last three years, the FPS has acquired and activated a surplus Air Force facility in Duluth, Minnesota as a Federal Prison Camp within a 5 month time frame; a former state mental hospital in

1113

Rochester, Minnesota for conversion to a 475-bed facility for inmates requiring general medical/surgical and psychiatric treatment; and a former Seminary in Loretto, Pennsylvania for conversion to a 460-bed Level 1 institution.

While conversion of facilities to minimum security institutions is usually feasible, it generally is not cost-effective to convert most surplus properties to higher security level institutions because appropriate physical security must be designed into the facility. Converting existing non-correctional properties to medium and maximum security facilities is frequently more expensive than design and construction of new institutions.

The prediction of future events is no less difficult in the prison setting than in other areas of social phenomena. Future policy and discretionary decisions throughout the Federal criminal justice system will significantly affect inmate population levels. It has been the experience of the FPS that highly accurate long-range population projection methodologies simply do not exist. While there are often factors that have statistically valid correlations with prison populations, such as Federal court activities, a basic difficulty arises when one attempts to forecast those variables in order to project prison populations, or when other, non-court related variables like INS or D.C. government policies, come into play.

It should be understood that the FPS population projections traditionally have been conservative in order to insure that funds are not needlessly expended in constructing unnecessary prison capacity. The inmate population increase projected is not over estimated but rather represents the minimum level of increase which will occur during the next five years. As discussed above, this conclusion is based on three facts: 1) the historically conservative nature of the FPS inmate population projections; and 2) the exclusion, at this time, of the impact of the Comprehensive Crime Control Act of 1984; and 3) the unknown future of D.C. prisoner housing.

Factors considered in the population estimate include:

- Continuation of the Administration's law enforcement initiatives.
- Long-term inmate population trends.
- Long-term admission and release trends.
- Limited availability of state and local correctional space.

The FPS is projecting only an 18 percent increase for the six year period 1986 to 1991. This is an annual rate of growth of 3 percent per year.

In November 1985, a 569-bed institution in Phoenix, Arizona became fully operational. Also, a 1,000 bed Alien Detention Center in Oakdale, Louisiana is near completion. The Oakdale facility, however, is for alien detainees under the control of the Immigration and Naturalization Service, and will not reduce FPS overcrowding.

1114

In addition to these facilities, construction documents have been completed for the 588-bed Metropolitan Detention Center in downtown Los Angeles. The FPS also has planning and site acquisition funds for new institutions in Bradford, PA, Marianna, FL, and Sheridan, OR and another FCI in Fairfield Township, NJ is fully funded. These five new institutions will add 3,388 beds upon completion. FPS is reviewing other potential sites in the Northeast at this time.

These new facilities combined with the 1987 request will increase the rated capacity of the FPS by 6,334 beds for a rated capacity of 31,866. This rated capacity compared to our 1991 average daily population projection of 43,295 would result in a deficit of 11,429 beds or 36 percent overcrowding.

Accomplishments and Workload: Projected population levels through 1991 are to rated capacities, adjusted for previously approved changes and requested increases, in the following table:

	Actual					Estimated					
Item	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Average daily population	24,932	27,730	29,178	31,394	33,834	36,569	37,812	38,763	40,316	41,757	43,295
Rated capacity	24,311	24,072	23,936	24,874	25,532	25,532	27,275	28,023	29,566	31,616	31,616
Percent overcrowded	3%	15%	22%	26%	33%						
Approved changes to capacity:											
Surplus facilities:											
Loretto, PA						235	175	...	...	...	...
Rochester, MN						359	...	...	...	...	...
FPC Duluth, MN						135	...	...	...	...	...
Adding capacity at existing institutions:											
Ashland Housing Unit						100	...	...	...	...	...
Tallahassee Housing Unit						100	...	...	...	...	...
Leavenworth Control/Segregation Unit						...	...	105	...	...	...
Butner Segregation Unit						24	...	...	...	...	...
Butner Housing Unit						100	...	...	...	...	...
La Tuna Housing Unit						208	...	...	...	...	...
Montgomery Housing Units (Two)						64	...	...	...	...	...
Milan Housing Unit						...	100	...	...	...	...
Miami Housing Unit						...	100	...	...	...	...

11115

Item	Estimated					
	1986	1987	1988	1989	1990	1991
Texarkana Housing Unit	...	100	...	...	...	...
Lexington Rehab Building to Housing Unit	113	...	...	...	...	...
Seagoville Housing Unit Addition	...	96	...	...	...	...
Allenwood Housing Unit	...	150	...	...	...	...
Tucson Housing Unit	...	94	...	...	...	...
Oxford Segregation unit	...	16	...	...	...	...
Montgomery Housing Unit	...	160	...	...	...	...
Safford Segregation Unit	...	10	...	...	...	...
El Reno Segregation Unit	...	60	...	...	...	...
Englewood Detention Unit	...	...	100	...	...	...
New facilities:						
FCI Phoenix, AZ	305	...	...	...	...	...
MDC Los Angeles, CA	...	...	588	...	...	...
FCI Fairfield, MJ	...	...	...	550	...	...
FCI Marianna, FL 1/	...	...	750	...	...	...
FCI Bradford, PA 1/	...	...	...	700	...	...
FCI Sheridan, OR 2/	...	...	...	800	...	...
Renovations and lost capacity:						...
USP Atlanta	...	-313	...	...	...	...
Rated capacity adjusted for approved changes	27,275	28,023	29,566	31,616	31,616	31,616
Deficit	(9,294)	(9,789)	(9,197)	(8,700)	(10,141)	(11,679)
Percent overcrowded	34%	35%	31%	27%	32%	37%
1987 requested changes to rated capacity:						
Adding capacity at existing institutions:						
Marion Camp Expansion	...	...	100	...	...	...
Phoenix Camp	...	...	150	...	...	...
Rated capacity adjusted for requested changes	27,275	28,023	29,816	31,866	31,866	31,866
Deficit	(9,294)	(9,789)	(8,947)	(8,450)	(9,891)	(11,429)
Percent overcrowded	34%	35%	30%	26%	31%	36%

1/ Planning and Site Acquisition funding provided in 1985. The 1987 request provides for construction funding.

2/ FPS plans to use funds previously provided in 1984 for the acquisition of a facility in Sheridan, Oregon, for the planning and site acquisition of a northwest FCI. The 1987 request provides for construction funding.

During 1984, FPS acquired a former state mental hospital in Rochester, Minnesota for conversion to a 475-bed medical/psychiatric correctional facility and a former seminary in Loretto, Pennsylvania for conversion to a 460-bed minimum security correctional facility.

FPS has completed the planning and site acquisition process for the Oakdale Alien Detention Center and the Los Angeles Metropolitan Detention Center. In addition, FPS has planning and site acquisition funds for two northeast and a southeast FCI. The 1984 appropriation (P.L. 98-166) provided funds for one northeast FCI and the 1985 appropriation (P.L 98-411) provided funds for the other northeast FCI and the southeast FCI.

In the northeast, the FPS has located two sites, one in Fairfield Township, New Jersey and another in Bradford, Pennsylvania. Currently, the FPS is preparing Environmental Impact Statements and technical feasibility studies and because of both local and Congressional support, the FPS expects to complete the site acquisition process on both facilities during the Spring of 1986. Also, the design for the Fairfield Township facility and negotiations with an architectural firm for the design of the Bradford facility are underway. Site preparation should begin during the summer of 1986.

In the southeast, a site was acquired in Marianna, Florida in October 1985 and an Environmental Impact Statement was completed in December 1985. Currently, bids for the site preparation phase are being accepted and after the design is finished, construction could begin in the Spring of 1986.

In northwest, the FPS is currently preparing an Environmental Impact Statement on a site in Sheridan, Oregon and the site acquisition process is expected to be completed in the summer of 1986. Construction should commence in early 1987.

Activity: New Construction	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
New Construction.....	3	1	...	6	6	...	24	21	$133,795	18	15	$133,795

The Bureau's long-range construction program was undertaken specifically to (1) reduce institutional overcrowding, (2) close or modernize large antiquated facilities, and (3) develop smaller, more humane facilities that will offer programs designed to provide inmates an opportunity to achieve a crime-free life.

Long Range Goal: To construct safe, humane environments for both inmates and staff, meeting the basic human needs for privacy and dignity.

Major Objectives:

Reduce overcrowding.

Complete new construction on schedule and within resources available.

Base Program Description: After the need for new construction has been established, a site is acquired and a design is completed. Resource requests within this decision unit provide for the construction of new facilities. Essentially, the FPS oversees construction projects that have been contracted out to private construction firms. Coordination is developed with all necessary agencies to assure that all Federal regulations are followed, e.g., the Environmental Protection Agency, General Servicen Administration, Department of Justice, etc. Coordination is also maintained with state and local jurisdictions. Quality control of all projects is maintained by FPS staff to assure the most productive use of resources and the timely completion of all projects.

Accomplishments: In the Supplemental Appropriations Act of 1982 (P.L. 97-257) ngress provided funds for the construction of an Federal Correctional Institution (FCI) in Phoenix, Arizona and an Alien Detention Center in Oakdale, Louisiana. Construction of the Phoenix facility was completed in June 1985 and construction of the Oakdale facility is now 99 percent finished and is scheduled for completion in February 1986.

From funds provided in the "Jobs Bill" of 1983 (P.L. 98-8), Congress in November 1983 approved a reprogramming to construct a Metropolitan Detention Center in Los Angeles, California. In June 1984, the General Services Administration contracted for facility design from an FPS furnished program. Design is now complete and construction is scheduled to begin in Spring 1986 and to be completed in January 1988.

The 1984 Appropriation (P.L. 98-166) provided for the construction of a Northeast FCI. However, FPS requested and the Congress approved a reprogramming proposal deferring construction of this facility. The funds were reprogrammed to fund the purchase and renovation of a former seminary in Loretto, Pennsylvania for conversion to a minimum security correctional facility; the purchase and renovation of a former state mental hospital in Rochester, Minnesota for conversion to a medical/psychiatric correctional facility; and the increased costs to construct housing units being added at several institutions.

The 1985 Appropriation (P.L. 98-411) also provided for the construction of a Northeast FCI. FPS has located a site for this facility in Fairfield Township, New Jersey and a design is currently being developed. Construction is expected to begin in 1986 and to be completed in 1988.

Program Changes: In 1987, FPS is requesting resources to construct three institutions including 6 positions, 3 workyears and $45,800,000 for a medium security 700-bed (including a 150-bed camp) FCI in Bradford, PA; 6 positions, 6 workyears and $48,320,000 for a medium security 800-bed (including a 250-bed camp) FCI in Sheridan OR; and 6 positions, 6 workyears and $39,675,000 for a medium security 750-bed (including a 150-bed camp) FCI in Marianna, FL. The need for these facilities is based on our current and projected level of overcrowding through 1991 which is discussed in more detail in the "Base Program" section of the decision unit "Planning and Site Acquisition".

Activity: Modernization and Repair of Existing Facilities	1986 as Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Modernization and Repair of Existing Facilities.....	44	43	$46,063	39	37	$13,622	46	44	$25,357	7	7	$11,735

11118

This activity provides resources for major rehabilitation, renovation or replacement of structures and utilities systems, and minor repair projects at existing institutions.

Long-Range Goals: To protect capital investment in facilities. To provide safe, efficient, and adequately sized and equipped facilities for the operation of correctional programs within Federal Prison System (FPS) institutions.

Major Objectives:

Repair and renovate facilities as required.

Gain accreditation of all institutions.

Make all facilities energy efficient in accordance with Department of Energy Life Cycle Costing method.

Comply with all pollution control requirements.

Comply with all requirements of the Joint Commission on Accreditation of Hospitals (JCAH).

Comply with all requirements of the National Fire Protection Association (NFPA), 101 Life Safety Code pertaining to penal facilities.

Renovate the United States Penitentiary, Leavenworth, Kansas.

Renovate the United States Penitentiary, Atlanta, Georgia.

Renovate the United States Penitentiary, Lewisburg, Pennsylvania.

Increase the capacity of existing FPS facilities, where possible, to reduce overcrowding.

Base Program Description: Because FPS institutions operate on a 24 hour a day, 7 day a week basis, buildings and grounds are subjected to heavy use. Therefore, there is a continuing need to upgrade and repair areas damaged and worn by conducting normal activities and during emergency situations. In addition, the normal expected useful life of buildings without major repair and renovation is 30 years. Because 50 percent of the institutions are over 30 years old, a program for the replacement and/or rehabilitation of obsolete structures and plant facilities is required. The following chart indicates the age range of all FPS institutions:

59-584 O—86——36

Year Built	Number of Institutions
1900 - 1909	2
1910 - 1939	14
1940 - 1949	8
1950 - 1959	2
1960 - 1969	3
1970 - 1979	12
1980 - 1981	2
1982 - 1984	3
Total	46

The Chief Executive Officer of each institution initiates a modernization and repair program considering the FPS's long range goals and major objectives. To assist him, regional office facilities staff perform space utilization studies at each institution on a 2-year cycle. These studies involve examining space available at each institution, assessing its use, and developing an overall plan to be followed in space utilization and renovation of the institution.

Most objectives are accomplished using inmate labor crews supervised by FPS staff. Using inmate crews to do nearly all of the work requires considerably more time and staff supervision but is cost effective and provides inmates with meaningful work experience and training. However, many of the larger projects, as well as those projects requiring special skills or equipment, are accomplished by contracting with local construction firms which allow for faster completion of the work with minimal supervision.

Most work in this decision unit is identified by two specific categories of projects: Major line item requirements (projects valued over $100,000) for which funds are specifically requested by project in appropriations requests; and repair and improvement (R&I) requirements (projects valued at $4,000 to $100,000). R&I projects address immediate needs resulting from routine repairs, emergencies, correctional program changes, etc., and are considered the base requirements for this program. All projects are closely monitored by the regional facilities staff for quality and timeliness of completion.

Coordination with regulatory agencies is required for pollution abatement and energy programs. The Environmental Protection Agency is consulted for guidance in the design of sewage treatment plants, acceptable fuel for heating and cooling, disposal of wastes and other pollutants. The Department of Energy is consulted with regard to availability and allocation of energy sources. Coordination with the General Services Administration is required for the procurement of certain materials and equipment. Repairs and improvements to buildings and facilities are accomplished within FPS in accordance with existing occupational safety and building legislation.

Accomplishments and Workload: Accomplishments of the program Modernization and Repair of Existing Facilities are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
New repair and improvement projects established	95	190	251	250
New line item projects established	5	15	24	16
Projects completed and closed	276	211	250	250
Projects active	505	422	447	463

This decision unit also provides funds for the lease/purchase agreement for the Federal Correctional Institution, Oxford, Wisconsin, negotiated with the State of Wisconsin in Fiscal Year 1973. FPS makes an annual payment of $1.5 million through 1986 which will total $20,912,247 at completion.

In 1983 FPS embarked on a program to expand inmate housing capacity at existing institutions as one of the most economical alternatives of adding capacity and reducing overcrowding. In 1985, four of these projects, which added 383 beds, were completed (Memphis Housing Unit, Petersburg Camp Housing Unit, Boron Housing Unit, and Oxford Satellite Camp). In 1986, eight additional projects, which will add 709 beds, are expected to be completed (Tallahassee Housing Unit, Butner Housing Unit, two Montgomery Housing Units, Ashland Housing Unit, Butner Segregation Unit, La Tuna Housing Unit, and Lexington Housing Expansion). In addition, ten projects, which will add 886 beds are scheduled for completion in 1987 (Milan Housing Unit, Miami Housing Unit, Texarkana Housing Unit, Seagoville Housing Unit, Allenwood Housing Unit, Tucson Housing Unit, Oxford Segregation Unit, Montgomery Housing Unit, Safford Segregation Unit, and El Reno Segregation Unit). A detention unit at Englewood which will add 100 beds is scheduled for completion in 1988.

From 1979 through 1985, projects totalling approximately $4,000,000 were completed throughout FPS to bring housing units into compliance with certain aspects of the NFPA 101 Life Safety Code and requirements set by FPS. These projects include installation of proper exits, emergency lights, smoke detection systems, standpipes and hose cabinets and removal of combustible building materials. This represents the initial phase of bringing the institutions into compliance with all requirements of the 101 Life Safety Code. Recently, 12 institutions were surveyed by outside professionals for Life Safety Code Compliance. Results of these first surveys indicate that the cost to bring institutions into total compliance with the Life Safety Code will approximate $1 million per institution. Ten of the highest priority projects identified, totalling $702,400, were funded from the 1985 repair and improvement budget. The 1986 appropriation provided $1.5 million to continue this effort. Currently, engineering surveys have begun at 18 more institutions.

Energy conservation is an ever increasing program requiring a large investment of staff and funds. Since 1981, approximately $2 million was obligated to accomplish retrofit projects such as roof insulation, steamline insulation, lighting changes, electrical load demand controllers and heating, ventilating and air conditioning renovation.

A long-term multiphase project to convert USP Leavenworth from an outdated inside five tier cellhouse to a modern correctional institution with individual closed front cells began in 1982. The first phase, which was to modernize "B" Cellhouse from a 5-story unit to 330 inside cells on one 2 story unit and one 3 story unit was completed in February 1985. Since completion of "B" cellhouse, FPS has decided that a much better design would be to create three 2 story units of outside cells in each cellhouse. This would provide approximately 400 cells in "A" cellhouse and 150 cells each in "C" and "D" cellhouses and provide outside windows in each cell. Work is now proceeding on the new design for the remaining cellhouses. The interior of "A" cellhouse has been completely removed and the construction work will commence after bidding in early Spring 1986.

Construction of a 98-bed minimum security camp at the USP at Atlanta, Georgia began in 1983 and was completed in July 1984. This is the first phase of the renovation of the penitentiary to a modern correctional institution. In addition, a conceptual design to convert the 5 tier cell blocks to three 2 story housing units has been completed. Due to the continued presence of Marielito Cubans, the emphasis for the modernization has been shifted to utility and non-housing areas.

The renovation of the deactivated Air Force Base at Duluth, Minnesota, which began in 1983, is scheduled for completion in 1986. This renovation when complete will increase its capacity to 500. In addition, renovation of the former state hospital in Rochester, Minnesota and a former seminary in Loretto, Pennsylvania continues with completion expected in 1986. Both of these facilities will eventually have a capacity of 475 and 460, respectively.

Program Changes: In 1987, FPS is requesting 7 positions, 7 workyears and $11,735,000 to accomplish important major modernization and repair projects; to begin the clean up hazardous waste material at FPS institutions; and to construct new inmate housing at two existing institutions increasing capacity by 250 beds.

Facility Improvements. The request includes 4 positions, 4 workyears and $4,335,000 to repair or replace facilities long overdue for major renovation. Following are the proposed projects:

1. Improve Perimeter Security at FCI Oxford. This request includes $450,000 to replace the deteriorating concertina wire with stainless steel barbed tape concertina wire.

2. Improve Perimeter Security at FCI Seagoville (PH 2 of 2). This request totals $250,000 to complete the relocation of fences started under the first phase of this project and install security wire between the fences.

3. Install Security Wire at FCI Pleasanton. This request includes $200,000 to install stainless steel barbed tape concertina wire between the fences.

4. Renovate Buildings 8 and 9 at USMCFP Springfield (PH 2 of 2). This request of 1 position, 1 workyear and $1,200,000 is required to renovate all interior finishes and mechanical systems in these 46 year old buildings, to renovate all security features of the buildings and to replace elevators.

5. Improve Security at USMCFP Springfield. This request totalling 1 position, 1 workyear and $781,000 is required to install a new perimeter fence, sallyport, a barbed tape concertina wire and an electronic detection system.

6. Install Electric Locks at USP Lompoc (PH 3 of 3). This request includes $300,000 to install new doors and electric locking system in one cellhouse. This will complete replacement of the locking system with other phases of the project funded in 1984 and 1986.

7. Install High Mast Lights at USP Terre Haute. This request of $270,000 is required to install nine high mast lights to illuminate the entire compound.

8. Improve External Security at USP Marion. This request totalling 1 position, 1 workyear and $148,000 is required to construct a front entrance security guard house to screen all traffic prior to entering the grounds.

9. Renovate Sewage Treatment Plant at FCI Lexington. This request includes 1 position, 1 workyear and $536,000 to complete remaining renovations recommended in engineering study to bring the plant up to required standards. This is the last of three phases of the project.

10. Install Perimeter Detection System at FCI El Reno. This request of $200,000 is required to install a fence mounted electronic perimeter detection system.

Environmental Improvements. This request includes $500,000, 1 position and 1 workyear to begin the first phase of a program to isolate and remove hazardous materials from all FPS institutions.

Expand Capacity at Existing Institutions. To reduce overcrowding and to minimize the construction of new institutions, FPS continues to review the opportunities for expansion of existing facilities. This request for $6,900,000, 2 positions and 2 workyears would increase camp capacity at two existing institutions by a total of 250 beds. The projects are as follows:

1. Construct a Satellite Camp at FCI Phoenix. This request totals 1 position, 1 workyear and $4,900,000 to construct a 150-bed minimum security camp at FCI Phoenix.

2. Construct Camp Housing Unit at USP Marion. This request of 1 position, 1 workyear and $2,000,000 is required to construct a new minimum security housing unit at the Marion Satellite Camp to house 100 men.

Federal Prison System

Buildings and Facilities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	New Construction			Modernization & Repair			Total		
	Pos.	Oblig.	Budget Auth. 1/	Pos.	Oblig.	Budget Auth. 1/	Pos.	Oblig.	Budget Auth. 1/
GS/GM 13	3	$124	...	...	...	...	3	$124	...
GS-12	3	104	...	...	..	...	3	104	...
GS-11	9	261	...	5	$120	...	14	381	...
GS-5	3	47	...	...	...	...	3	47	...
Ungraded	...	...	...	2	62	...	2	62	...
Total positions and annual rate	18	536	...	7	182	...	25	718	...
Lapse	-3	-86	...	...	...	...	-3	-86	...
Total workyears and personnel compensation	15	450	$1,120	7	182	$442	22	632	$1,562
Personnel benefits	...	93	236	...	42	102	...	135	338
Travel and trans. of persons	...	195	300	...	19	23	...	214	323
Transportation of things	...	45	45	...	26	26	...	71	71
Rental payments to others	...	35	85	...	29	59	...	64	144
Other services	...	108,649	129,029	...	4,761	9,468	...	113,410	138,497
Supplies and materials	...	75	180	...	636	810	...	711	990
Equipment	...	1,000	2,800	...	105	805	...	1,105	3,605
Total workyears obligations and budget authority	15	110,542	133,795	7	5,800	11,735	22	116,342	145,530

1/ Budget authority for personnel compensation and benefits are for the life of the project.

Federal Prison System

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Project (Capacity)	Budget Request or Appropriation: Planning and Site Acquis. Fiscal Year	Planning and Site Acquis. Amount	New Construction or Expansion of Existing Facilities Fiscal Year	New Construction or Expansion of Existing Facilities Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1985: Oblig. to Date	Status - December 1985: Stage of Programs	Estimated Completion Date
Under construction or fully funded:									
Phoenix FCI (569).....	1982	$1,920	1982	$22,000	$23,920	$23,920	$23,781	Construction 100% complete	5/85
Oakdale ADC (1000).....			1982	17,000	17,000	17,000	16,987	Construction 99% complete	2/86
Los Angeles MFC (588).....			1984	40,000	40,000	40,000	1,628	Design complete	1/88
Fairfield Township FCI (550).....	1984	3,400	1985	33,050	36,450	36,450	2,611	Design underway	9/88
Planned facilities:									
Bradford FCI (700).....	1985	3,500	1987	45,800	3,500	49,300	22	Negotiating for A/E EIS underway	6/89
Marianna FCI (750).....	1985	3,500	1987	39,675	43,175	43,175	3,200	Design underway	5/88
Sheridan FCI (800).....	1984	5,000	1987	48,320	5,000	53,320	...	Site search underway	12/88
Surplus facilities:									
Duluth FCI (500).....			1984	$5,700	$5,700	$5,700	$4,201	Partially operational	1/86
Rochester FMC (475).....			1984	24,350	24,350	24,350	23,186	Partially operational	6/86
Loretto FCI (460).....			1984	4,800	4,800	6,224	5,712	Partially operational	11/86

Project/Capacity	Budget Request or Appropriation: Expansion of Existing Facilities — Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1985: Oblig. to Date	Stage of Programs	Estimated Completion Date
Expansion of existing facilities:							
Leavenworth Control/Seg Unit (105)	1983	$4,870	$4,870	$4,870	$76	Being redesigned	7/88
Butner Housing Unit (100).....	1983	1,650	1,650	2,099	2,047	95% complete	2/86
Tallahassee Housing Unit (100)...	1983	2,100	2,100	2,310	2,308	99% complete	1/86
La Tuna Housing Unit (208).....	1983	3,000	3,000	3,000	2,483	40% complete	6/86
Butner Seg Unit (24 beds).....	1983	750	750	1,095	1,117	48% complete	6/86
Montgomery Housing Unit (64).....	1983	2,250	2,250	2,250	1,928	17% complete	9/86
Milan Housing Unit (100).....	1985	3,380	3,380	3,380	250	In design	7/87
Allenwood Housing Unit (150).....	1985	2,000	2,000	2,000	156	In design	5/87
Miami Housing Unit (100).....	1985	3,000	3,000	3,000	209	Advertising for bids	1/87
Seagoville Housing Unit (96).....	1985	1,800	1,800	1,800	141	In design	1/87
Tucson Housing Unit (94).....	1985	2,050	2,050	2,050	296	In design	4/87
Texarkana Housing Unit (100).....	1985	1,925	1,925	1,925	137	In design	1/87
Montgomery Housing Unit (160)....	1985	2,250	2,250	2,250	2,250	17% complete	10/86

Project/Capacity	Budget Request or Appropriation: Expansion of Existing Facilities — Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1985: Oblig. to Date	Stage of Programs	Estimated Completion Date
Expansion of existing facilities (Con't):							
Lexington Rehab Bldg to Housing Unit (113).....	1985	$750	$750	$750	$718	30% complete	2/86
Oxford Seg Unit Expansion(16)....	1986	650	650	650		Selecting A/E	7/87
Montgomery New Housing Unit (160)	1986	2,600	2,600	2,600		Planning	4/87
Safford New Seg Unit (10).....	1986	300	300	300		Planning	4/87
Tallahassee New Seg Unit (replacement).....	1986	2,720	2,720	2,720		In design	4/87
El Reno New Seg Unit (60).....	1986	2,800	2,800	2,800		Planning	4/87
Eglin New Housing Unit (replacement).....	1986	2,000	2,000	2,000		Construction documents	4/87
Englewood Detention Unit (100)...	1986	5,400	5,400	5,400		In design	10/87
Atlanta Conversion.....	1983	770	12,378	65,909	2,070	In design	
	1984	2,400				Satellite camp complete	
	1985	7,744					
	1986	1,464					
Leavenworth Conversion.....	1981	1,850	20,610	42,397	8,949	Completed "B" Cellhouse, "A" Cellhouse out for bid	
	1983	5,465					
	1984	1,974					
	1985	7,071					
	1986	4,250					

Federal Prison System

Buildings and Facilities

Status of Congressionally Requested
Studies, Reports, and Evaluations

1. The Senate Appropriations Committee Report (99-150) on the Department of Justice 1986 Appropriations Bill directs the Federal Prison System to develop a detailed study of the need, costs and feasibility of constructing and maintaining a Federal detention/prison facility in the State of Hawaii to serve both the State and the Pacific Basin area. The FPS is in the process of developing a detailed feasibility study on the construction of this facility and will provide periodic progress reporting to the Committee.

Federal Prison System

Buildings and Facilities

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987		
			Adjustments to Base	Program Increases	Total
General Administration Clerical and Office Services (300-399)	7	7	...	3	10
Engineering and Architecture Group (800-899)	30	24	-10	20	34
Business and Industries Group (1100-1199)	7	15	...	...	15
Ungraded	31	11	-2	2	11
Total	75	57	-12	25	70
Washington	5	8	...	...	8
U.S. Field	70	49	-12	25	62
Total	75	57	-12	25	70

Federal Prison System

Buildings and Facilities

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	57	52	$46,063
Uncontrollable increases:			
General pricing level adjustment	...	...	4,636
Total, uncontrollable increases	...	...	4,636
Decreases:			
Nonrecurring requirements for positions and workyears associated with closed projects	-12	-9	
Nonrecurring costs for the Oxford lease	...	...	-1,412
Nonrecurring costs for projects funded in 1986	...	...	-35,665
Total, decreases	-12	-9	-37,077
1987 Base	45	43	13,622

Federal Prison System

Buildings and Facilities

Justification of Adjustments to Base
(Dollars in Thousands)

	Perm. Pos.	Work-years	Budget Amount
Uncontrollable Increase:			
General pricing level adjustment..... This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.5 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are catgories of expense where inflation has already been built into the 1987 estimates.	...	...	$4,636
Total uncontrollable increases.....	...	...	4,636
Decreases (Automatic non-policy):			
Positions and workyears associated with closed projects.....	-12	-9	...
Nonrecurring costs associated with the Oxford lease.....	...	...	-1,412
Nonrecurring costs associated with modernization and repair projects approved in 1986.....	...	...	-35,665
Total decreases.....	-12	-9	-37,077
Total, adjustments to base.....	-12	-9	-32,441

1131

Federal Prison System

Buildings and Facilities

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Estimate Positions & Workyears	1987 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS/GM-14, $44,430-$57,759	1		1		...	
GS/GM-13, $37,599-$48,876	4		7		3	
GS-12, $31,619-$41,105	6		15		9	
GS-11, $26,381-$34,292	27		24		-3	
GS-10, $24,011-$31,211	2		2		...	
GS-9, $21,804-$28,347	2		2		...	
GS-5, $14,390-$18,710	3		6		3	
GS-4, $12,862-$16,723	1		1		...	
Ungraded positions	11		12		1	
Total, appropriated positions	57	$1,704	70	$2,085	13	$381
Pay above stated annual rates		6		7		1
Lapses	-5	-150	-5	-150	...	...
Net permanent	52	1,560	65	1,942	13	382
Average GS/GM salary		($29,894)		($29,786)		
Average GS/GM grade		(10.7)		(10.7)		

Federal Prison System

Buildings and Facilities

Summary of Requirements by Grade and Object Class (cont.)
(Dollars in thousands)

Object Class		1986 Estimate		1987 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1	Full-time permanent	52	$1,560	65	$1,942	13	$382
	Total, workyears and personnel compensation		1,560		1,942		382
12	Personnel benefits		332		417		85
21	Travel and transportation of persons		438		514		76
22	Transportation of things		95		95		...
23.2	Rental payments to others		1,625		572		-1,053
24	Printing and reproduction		1		...		-1
25	Other services		94,895		141,741		46,846
26	Supplies and materials		2,347		5,147		2,800
31	Equipment		1,315		1,345		30
32	Land and structures		30,917		...		-30,917
	Total obligations		133,525		151,773		18,248
	Unobligated balance, start-of-year		-118,144		-30,682		
	Unobligated balance, end-of-year		30,682		38,061		
	Total requirements		46,063		159,152		
	Relation of obligations to outlays:						
	Obligations incurred, net		133,525		151,773		
	Obligated balance, start-of-year		26,835		43,399		
	Obligated balance, end-of-year		-43,399		-90,414		
	Outlays		116,961		104,758		

Department of Justice
Federal Prison System
Federal Prison Industries, Incorporated
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985	3
Summary of Requirements	4
Justification of Program and Performance	5
Detail of Permanent Positions by Category	8
Summary of Adjustments to Base	9
Summary of Requirements by Grade and Object Class	10

Federal Prison System

Federal Prison Industries, Incorporated

Summary Statement

Fiscal Year 1987

The Federal Prison System is requesting for Federal Prison Industries, Incorporated for 1987, a total of 962 permanent positions and 957 workyears. This request represents an increase of 37 positions and 49 workyears from the 1986 level.

Federal Prison Industries, Incorporated, was created by Congress in 1934 and is a wholly owned Government corporation. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121-4128). Supervision is provided by the Director of the Federal Prison System who has jurisdiction over all Federal penal and correctional institutions. Profits from the Corporation's industrial activities are used to fund activities which benefit Federal inmates by providing vocational training and for compensating inmates performing outstanding services in institutional operations.

Administrative expenses - A board of six directors, appointed by the President and serving without compensation, controls the policies of the Corporation. General management of the Corporation is presently performed by a staff of 29 employees located in Washington, D.C. Expenses of this function are subject to Congressional limitation.

Vocational training expenses - The vocational training expenses limitation provides funds for active educational and vocational training programs that are designed to prepare inmates for productive and meaningful employment upon release. Efforts are being made to explore an increasing range and variety of vocational training opportunities. Expenses of this function are subject to Congressional limitation.

Industrial manufacturing program - Approximately 9,480 inmates in 42 locations are currently employed in the manufacture of such items as furniture, clothing, electronics, metal and canvas products. They also work in service industries such as furniture refinishing and data processing. All products of the Corporation are sold to Federal agencies. The Department of Defense, the Postal Service, and the General Services Administration are the largest customers. In 1987, an increase of 37 positions and 49 workyears is requested to provide supervision and training for an additional 970 inmate employees through the expansion of factories at 42 institutions and the establishment of new factories at two institutions.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Proposed Language Changes

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Federal Prison Industries, Incorporated

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of not to exceed five (for replacement only) and hire of passenger motor vehicles, except as hereinafter provided. (18 U.S.C. 4121-4128; Department of Justice and Related Agencies Appropriation Act, 1986.)

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed [$2,102,000] of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$7,018,000] for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and such amounts shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. (Department of Justice and Related Agencies Appropriation Act, 1986; additional authorizing legislation to be proposed.)	$2,157,000 $7,208,000

Explanation of Changes

No substantive changes proposed.

Federal Prison System

Federal Prison Industries, Incorporated

Analysis of the Effect of the Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request	Congressional Action on 1986 Request	1986 as Enacted	Funds Sequestered	
				4.3%	Rev.
	Amount	Amount	Amount	Reduc.	Amt.
1. Administrative expenses limitation.....	$2,070	$32	$2,102	-$90	$2,012

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Requirements
(Dollars in thousands)

Estimates by budget activity	1985 Actual Perm. Pos.	1985 Actual WY	1985 Actual Amount	1986 Estimated Obligations Perm. Pos.	1986 Estimated Obligations WY	1986 Estimated Obligations Amount	1987 Base Perm. Pos.	1987 Base WY	1987 Base Amount	1987 Estimate Perm. Pos.	1987 Estimate WY	1987 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
1. Administrative expenses	29	29	$1,901	29	29	$2,102	29	29	$2,157	29	29	$2,157	...	...	...
2. Vocational training expenses	97	95	6,391	97	82	7,018	97	92	7,208	97	92	7,208	...	...	...
Subtotal, funds subject to Congressional limitation	126	124	8,292	126	111	9,120	126	121	9,365	126	121	9,365	...	...	...
3. Cost of production	740	824	147,676	799	797	197,000	799	799	212,363	836	836	220,459	37	37	8,096
4. Other expenses	...	...	22,470	...	...	53,130	...	...	53,130	...	...	53,130	...	...	...
5. Buildings and improvements	...	...	9,785	...	...	15,297	...	...	10,554	...	...	10,554	...	...	...
6. Machinery and equipment	...	...	16,560	...	...	16,629	...	...	16,303	...	...	16,303	...	...	...
Sub-total	740	824	196,491	799	797	282,056	799	799	292,350	836	836	300,446	37	37	8,096
Total	866	948	204,783	925	908	291,176	925	920	301,715	962	957	309,811	37	37	8,096
Other Workyears:															
Holiday/Overtime		12			15			15			15				
Total, Compensable Workyears		960			923			935			972			37	

Adjustments to base:

1986 estimate of obligations ... 908 ... 37
Uncontrollable increases ... ...
1987 base ... 908 ... 37

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Federal Prison Industries, Inc.	1986 Estimated Obligations			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Expenses	29	29	$2,102	29	29	$2,157	29	29	$2,157	...	...	...
Vocational Training Expenses	97	82	7,018	97	92	7,208	97	92	7,208	...	...	...
Industrial Operations:												
Cost of Production	799	797	197,000	799	799	212,363	836	836	220,459	37	37	$8,096
Other Expenses	...	...	53,130	...	...	53,130	...	...	53,130	...	...	...
Buildings and Improvements	...	...	15,297	...	...	10,554	...	...	10,554	...	...	...
Machinery and Equipment	...	...	16,629	...	...	16,303	...	...	16,303	...	...	...
Total	925	908	291,176	925	920	301,715	962	957	309,811	37	37	8,096

Federal Prison Industries, Incorporated, was created by Congress in 1934 and is a wholly owned Government Corporation. Its mission is to employ and train Federal inmates through a diversified program providing products and services to other Federal agencies. These operations are conducted in such a manner as to offer a minimum of competition to private industry and labor. Employment provides inmates with work, occupational knowledge and training and experience. New industries which will utilize skills in demand in the labor market are developed, where possible, to replace industries providing less valuable training.

Long Range Goal: Employ all inmates available for work in Industries; provide inmate opportunities to acquire work knowledge, skills, training and apprenticeship programs to develop entry level skills.

Major Objectives:

Operate 80 industrial factories and shops with inmate labor.

Provide employment for 45 percent of inmates available for work.

Provide on-the-job training to 12,000 inmates in all industrial factories in 1987.

Provide classroom-type industrial training in electronics.

Provide apprenticeship programs for acquiring trade skills, such as printing, metal working and tool making.

Sell products and services to other Federal agencies at a profit consistent with the goal of remaining financially self-supporting.

Provide pre-industrial training projects to enhance factory operations and provide increased training opportunities.

Fund vocational training projects to enhance and analyze expanded vocational training opportunities for inmates.

Continue to fund inmate performance pay.

Continue implementation of a fully automated management information system.

Base Program Description: Federal Prison Industries, Inc., is entirely self-sustaining. No appropriations are required. Revenues are derived entirely from the sale of products and services to other Federal agencies. Operating expenses are applied against these revenues, resulting in operating income or loss.

Currently, Federal Prison Industries (FPI) addresses the problem of inmate idleness by providing a full-time work program for 39 percent of the total inmate population available for work. More than 50 percent of the inmate population do not have marketable skills. FPI provides a program of constructive industrial work wherein job skills can be developed and work habits acquired.

Institution factories and shops are operated by cadres of civilian supervisors and managers, training and overseeing the work of inmates. The factories utilize raw materials to produce finished goods which are shipped to Government customers, primarily the Department of Defense, the Postal Service and the General Services Administration. Institution factories manufacture such items as furniture, clothing, electronics, metal and canvas products, and provide such services as data processing and furniture refinishing. Orders for goods and services are obtained through marketing and sales efforts by civilian staff. Prices are usually established in negotiation with customer agencies at or near to, but not exceeding, current market prices. A portion of the profits realized by these operations is reinvested to improve facilities, purchase new equipment, maintain state-of-the art capability and provide working capital.

To operate modern factories and shops and produce products that must meet Government specifications requires extensive inmate training because most of the inmates have had no previous training, experience or skills. Much of the needed training occurs on-the-job, with civilian supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, such as computer programming, classroom instruction is provided. Production Training Units, a special type of industry concentrating on training more than production, utilize a combination of both classroom and on-the-job training to offer a unique and effective method of skill development. Also, registered programs of apprenticeship are in operation and approved by the U.S. Department of Labor's Bureau of Apprenticeship and Training and local unions.

As a manufacturing concern, the Corporation makes capital investments in buildings/improvements, machinery and equipment as necessary in the conduct of its industrial production. Federal Prison Industries currently funds part of the vocational training program within the Federal Prison System.

Other expenses charged to the industrial manufacturing program include inmate accident compensation and Meritorious Service Awards (MSA) to inmates.

Accomplishments and Workload: Actual and estimated accomplishments for Federal Prison Industries, Inc. are presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Average inmate employment	8,390	9,480	11,030	12,000
New facilities established	1	2	1	1
Sales	$222,662,000	239,230,527	283,000,000	315,100,000
Industrial net earnings retained in the corporation	17,663,000	12,071,223	20,000,000	21,200,000
Use of earnings:				
Vocational training	5,701,000	6,391,000	7,018,000	7,208,000
MSA (performance awards, pay)	5,365,000	5,600,000	6,000,000	6,400,000
Accident compensation	200,000	222,000	244,000	266,000
Retained earnings	14,300,000	9,100,000	15,400,000	16,050,000
Number of shops/factories	71	77	78	80

During 1985, an average of 9,480 inmates were employed at 42 institutions in 77 factories. This represents 39 percent of the working inmate population. Sales increased to $239 million with a net income of $12 million allowing the Corporation to maintain self-sufficiency in its industrial operations and increase funding of inmate performance pay from $5.4 million to $5.6 million. Increased sales also provides the funding necessary for modernization of equipment (1984 - $11.6 million, 1985 - $16.6 million) and plant facilities (1984 - $12.1 million, 1985 - $9.8 million). Equipment installation was completed for APECS, the Corporation's major data processing system. Program implementation was completed for the raw material inventory module and programs are being developed for production control, inmate payroll and customer order processing. A project team is continuing to develop and implement the automated accounting system.

Also during 1985, a new optics factory was opened at FCI Butner, which will make eye glasses primarily for veterans' hospitals. FCI Phoenix opened a new factory to make electronic connectors.

Experimental vocational training programs including oil technology, home entertainment center repair, computer technician courses, diesel engine repair, waste water technology, commercial art and drafting were conducted and are being evaluated for possible future use.

Program Changes: The requested increase of 37 positions and workyears will enable FPI to complete the staffing of an electronics factory at the new Rochester, MN facility; staff a new electronics factory at FCI Loretto; establish a printing facility at USP Leavenworth; expand the print operation at FCI Petersburg; staff an injection molding operation at FCI La Tuna; establish a sewing operation at FCI Seagoville; and staff second shifts and an expanded factory at FCI Milan. The requested resources are the minimum necessary to maintain adequate productivity, quality and security levels at new and existing factories that are expanding industrial employment to an estimated 12,000 inmates in 1987.

Federal Prison System

Federal Prison Industries, Incorporated

Detail of Permanent Positions by Category
Fiscal Years 1985-1987

Category	1985 Authorized	1986 Authorized	1987	
			Program Increases	Total
Other Legal and Kindred (900-998)	1	1	...	1
Correctional Institution Administration (006)	3	3	...	3
Correctional Officers (007)	3	3	...	3
Personnel Management (200-299)	2	2	...	2
General Admin. Clerical and Office Services (300-399)	92	92	...	92
Accounting and Budget (500-599)	91	102	1	103
Engineering and Architecture Group (800-899)	5	5	...	5
Information and Arts Group (1000-1099)	3	3	...	3
Business and Industry Group (1100-1199)	110	112	3	115
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Equipment, Facilities and Service Group (1600-1699)	44	47	...	47
Education Group (1410-1411; 1700-1799)	104	104	...	104
Supply Group (2000-2099)	32	36	...	36
Transportation (2100-2199)	2	2	...	2
Ungraded (culinary, farm, mechanical & construction)	371	412	33	445
Total	864	925	37	962
Washington	117	119	...	119
U.S. Field	747	806	37	843
Total	864	925	37	962

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 estimated obligations	925	908	$291,176
Adjustments to base:			
Uncontrollable increases:			
Annualization of additional positions approved in 1986	...	12	305
Within-grade increases	...	...	162
GSA rent	...	...	13
Health benefits costs	...	...	27
General pricing level adjustment	...	...	10,032
Total, uncontrollable increases	...	12	10,539
1987 Base	925	920	301,715

General Statement

Mr. Early. We are pleased to welcome back to the Committee today the Director of the Federal Prison System, Mr. Norman Carlson. Mr. Director, please proceed with your statement at your own pace.

Mr. Carlson. Thank you, Mr. Chairman.

I have a prepared statement which I have submitted for the record. I would like to introduce the statement into the record and summarize if I may.

The major focus of our request this year is to construct three new Federal correctional institutions; to build two minimum security camps at existing institutions; to activate new housing units at eight institutions; and to begin renovation projects at nine other facilities. We also would like to update and improve our bureau's information systems.

INMATE POPULATION INCREASE

As you know, the inmate population of the Bureau of Prisons has increased by nearly 60 percent during the past five years. That increase is a direct result of the increased resources that have been provided for Federal law enforcement programs as well as the focus being made by U.S. Attorneys across the country on major narcotic traffickers and organized crime cases.

During the past year, our population increased by 4,400 inmates, which is a record increase in a one year period. The population today stands at over 38,000 inmates, representing an increase of 14,000 inmates since 1980. The existing 47 institutions currently operate at 45 percent over the rated capacity and present a critical problem in terms of institutional management.

Future projections indicate that the Federal prison population will continue to increase in the months and years ahead. Our current projection indicates that it will reach at least 43,300 in 1991.

Compounding the problem today, Mr. Chairman, are the 1,900 Cuban Marielitos currently confined in the Atlanta Penitentiary. Also, we have accepted over 2,400 D.C. offenders as a result of problems the District government has in jail overcrowding.

EFFECT OF SEQUESTRATION

Like all other agencies, the Bureau of Prisons has been impacted by the Gramm-Rudman-Hollings Deficit Reduction Act. We will shortly be submitting to the committee a reprogramming action. I am certain you realize, we simply can't take 4.3 percent out of every budget area such as food, medical care, utilities and staff salaries.

1986 SUPPLEMENTARY REQUEST

We have also transmitted a 1986 supplemental request of $10.6 million. This is to cover the population increase that has occurred during the current fiscal year, and in no way represents new additional money for the bureau other than to provide for the subsistence of those inmates that are now in the system.

BOP EXPANSION PROGRAM

Mr. Chairman, I appreciate very much the support this committee has provided in recent years. We now have underway the largest expansion program in the history of the Bureau of Prisons. We have added, or will add, 27 new housing units at existing institutions in addition to the two camps included in the 1987 request. We believe expanding existing institutions is a cost-effective and timely way to deal with the problem of overcrowding.

In addition, Mr. Chairman, you and the staff have allowed us to acquire surplus facilities at Duluth, Minnesota, Loretto, Pennsylvania, and Rochester, Minnesota, which have been important aspects in our overall expansion effort.

I would like to report that the long-awaited Los Angeles Metropolitan Detention Center is underway. The problems have been resolved, and we hope that bids will be opened next month so that construction can begin within the next 90 days.

SUMMARY OF REQUESTS

I would like to briefly summarize the 1987 request, if I may. First, we are asking for staff for the new housing units at the Federal Prison Camp at Maxwell Air Force Base in Alabama as well as the Federal Reformatory in El Reno, Oklahoma. We also are asking for staffing for a Witness Protection Unit that has been established at the Federal Correctional Institution, Tallahassee, Florida.

We are requesting equipment for new housing units that will soon be completed at other institutions that have been approved by this committee. We are requesting $5 million for population expansion and $8 million to upgrade and improve our information systems.

We are asking for $133 million to construct three new institutions during 1987. They will be located, in all probability, at Bradford, Pennsylvania; Marianna, Florida; and Sheridan, Oregon. The combined capacity of the three institutions is 2,200 inmates, and with overcrowding they will obviously house over 3,000 inmates once completed.

We are requesting funds to expand the minimum security camp at Marion, Illinois, and build a new camp in conjunction with the institution recently opened in Phoenix, Arizona.

For the National Institute of Corrections, we have requested a total of $9.5 million and 41 positions. The reduction represents a policy change in the Federal Government to charge State and local officials for the costs of transportation, meals, and lodging when they receive training in a Federal training facility such as the National Institute of Corrections Academy in Boulder, Colorado.

For Federal Prison Industries, we are requesting 37 additional positions to expand work opportunities for inmates. As you know, the corporation is totally self-sustaining and this does not represent any appropriated funds; it merely expands the number of positions that we are able to hire and pay from the profits of Federal Prison Industries.

That is a brief summarization. I would be pleased to answer any questions that you or the Committee may have.

[The prepared statement of Mr. Carlson follows:]

DEPARTMENT OF JUSTICE

STATEMENT BY THE DIRECTOR, FEDERAL BUREAU OF PRISONS
NORMAN A. CARLSON
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE AND STATE, THE
JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you once again to discuss the Federal Bureau of Prisons' budget request for 1987.

We are requesting a total of $767,454,000 and 12,025 positions for 1987, an increase of $142,871,000 and 37 positions above current year levels.

Summary of Major Requests

The major thrusts of the Bureau's 1987 budget request include:

- Funding to construct three new Federal Correctional Institutions.
- Activation of new and replacement housing units at eight institutions and construction of minimum security camps at two existing institutions.
- Important renovation/rehabilitation projects at nine institutions.
- Major improvements in automation to expand capabilities and achieve greater efficiencies.

Overcrowding

During the past five years, the Federal inmate population has increased by almost 60 percent. This dramatic increase is due in large part to law enforcement initiatives directed at drug trafficking and organized crime.

59-584 O—86——37

Current prison overcrowding coupled with recent and projected increases in the Federal inmate population continue to be the major challenges facing the Federal Bureau of Prisons. Since I appeared before this Committee a year ago, more than 4,400 additional offenders have entered our institutions increasing the population to a new high of 37,800 inmates. The inmate population is 45 percent above the rated capacity of our institutions.

This level of overcrowding is unacceptably high and places unduly severe management and operational burdens on institution staff. The Bureau of Prisons' 1987 budget contains funding requests which are critical to our continuing efforts to reduce institutional overcrowding and ensure a safe and humane environment for both staff and inmates.

Population Trends

Based on current inmate population trends, prosecution and court statistics, workload projections of the Federal Bureau of Investigation and Drug Enforcement Administration and the enactment of the Comprehensive Crime Control Act of 1984, we believe that the inmate population will continue to grow to at least 43,295 by 1991.

As you know, two events have occurred since last year which have had, and will continue indefinitely, to have an impact on the inmate population. The Cuban detainee population, most of which are housed at the U.S. Penitentiary, Atlanta, Georgia, still numbers nearly 1,900 because of Cuba's cancellation of the transfer agreement with the United States. Moreover, this population will increase when construction of a new Cuban detainee unit is completed at the Federal Detention Center in Oakdale, Louisiana.

Secondly, the number of District of Columbia Code offenders in our facilities is now approximately 2,400, up from 1,400 last year. The bulk of this increase is the result of the Federal Government's agreement in August 1985, to accept D.C. Code violators on an interim basis to enable the District Government to comply with a court imposed ceiling on its inmate population. This ceiling resulted from a civil case brought by inmates' attorneys. Although the Bureau of Prisons is not currently receiving D.C. offenders, this situation could change at any time.

Budget for FY 1986

As you know, the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) requires that we reduce each program by 4.3 percent. This across-the-board reduction would require us to furlough thousands of correctional officers - obviously an unacceptable course of action. The Department of Justice will shortly submit a reprogramming to the Subcommittee which will permit us to implement the sequestration order without compromising the safety of staff and inmates. This reprogramming is critical to the continuity of the Bureau's operations and I urge the Committee's support of it.

The 1987 budget separately transmits a 1986 supplemental request of $10,620,000 to increase subsistence and operations funding for an average annual inmate population of 36,569, an increase of 2,779 above the level provided for in the current fiscal year. Since we must expand inmate subsistence funds as the increases occur, passage of the supplemental is essential to us.

Reducing Overcrowding

As you know Mr. Chairman, with your and the Subcommittee's support, the Bureau of Prisons is now engaged in the largest expansion program in its history. To bring the Committee up to date on our accomplishments, there are now 27 new

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate		1987 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-4, $68,700	3		3		...	
ES-2, $63,764	1		1		...	
GS/GM-15, $52,262-67,940	8		8		...	
GS/GM-14, $44,430-57,759	14		14		...	
GS/GM-13, $37,599-48,876	32		32		...	
GS-12, $31,619-41,105	65		65		...	
GS-11, $26,381-34,292	141		143		2	
GS-10, $24,011-31,211	21		21		...	
GS-9, $21,804-28,347	115		117		2	
GS-8, $19,740-25,662	25		25		...	
GS-7, $17,824-23,170	35		35		...	
GS-6, $16,040-20,855	17		17		...	
GS-5, $14,390-18,710	26		26		...	
GS-4, $12,862-16,723	7		7		...	
GS-3, $11,458-14,896	3		3		...	
GS-2, $10,501-13,216	1		1		...	
Ungraded positions	411		444		33	
Total, positions	925	$32,055	962	$33,012	37	$957
Pay above stated annual rates		121		126		5
Lapse	-26	-703	-14	-375	12	328
Net permanent	899	31,473	948	32,763	49	1,290
Other than permanent:						
Part-time permanent	6	78	6	79	...	1
Temporary employment	2	22	2	23	...	1
Other part-time and intermittent employment	1	11	1	11	...	...
Other personnel compensation:						
Overtime	14	1,530	14	1,530	...	...
Other compensation	1	170	1	170	...	...
Special personal services payments	...	16,160	...	16,260	...	100
Total, workyears and personnel compensation	923	49,444	972	50,836	49	1,392
Average ES Salary		($67,219)		($67,219)		
Average GS/GM Salary		($27,885)		($27,885)		
Average GS/GM Grade		(9.85)		(9.85)		

Federal Prison System

Federal Prison Industries, Incorporated, Prison Industries Fund

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	788	$25,856	827	$27,093	39	$1,237
11.3	Other than full-time permanent	9	95	9	95	...	...
11.5	Other personnel compensation	15	1,700	15	1,700	...	...
11.8	Special personnel services payments	...	16,160	...	16,260	...	100
	Subtotal	812	43,811	851	45,148	39	1,337
12	Personnel benefits		3,748		3,893		145
13	Benefits for former personnel		5		5		...
21	Travel and transportation of persons		985		1,176		191
22	Transportation of things		975		1,416		441
23.1	Standard level user charges		174		183		9
23.2	Other rent		590		590		...
23.3	Communications, utilities, and miscellaneous charges		7,260		10,190		2,930
24	Printing and reproduction		380		396		16
25	Other services		9,650		14,675		5,025
26	Supplies and materials		183,478		196,724		13,246
31	Equipment		16,000		15,600		-400
32	Lands and structures		15,000		10,450		-4,550
93	Administrative expenses (see separate schedule)	29	2,102	29	2,157	...	55
	Vocational training expenses (see separate schedule)	82	7,018	92	7,208	10	190
	Total workyears and obligations	923	291,176	972	309,811	49	18,635

Federal Prison System

Federal Prison Industries, Incorporated, Administrative Expenses

Summary of Requirements by Grade and Object Class (Cont)
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	29	$1,535	29	$1,540	...	$5
11.3	Other than full-time permanent	...	16	...	18	...	2
11.5	Other personnel compensation	...	...	...	...	...	...
	Total, workyears and personnel compensation	29	1,551	29	1,558	...	7
12	Personnel benefits		166		170		4
21	Travel and transportation of persons		97		100		3
23.1	Standard level user charges		62		74		12
23.3	Communications, utilities, and miscellaneous charges		4		6		2
24	Printing and reproduction		24		30		6
25	Other services		194		214		20
26	Supplies and materials		4		5		1
93	Administrative expenses included in schedule of funds as whole		-2,102		-2,157		-55
	Total obligations		...		...		...

Federal Prison Industries, Incorporated, Vocational Training Expense

Summary of Requirements by Grade and Object Class (Cont)
(Dollars in thousands)

Object Class		1986 Estimate		1987 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1	Full-time permanent	82	$4,082	92	$4,130	10	48
	Total, workyears and personnel compensation	82	4,082	92	4,130	10	48
12	Personnel benefits		204		274		70
21	Travel and transportation of persons		43		45		2
22	Transportation of things		17		18		1
23.1	Standard level user charges		22		22		...
23.2	Other rent		4		4		...
23.3	Communications, utilities, and miscellaneous charges		86		86		...
24	Printing and reproduction		12		12		...
25	Other services		1,303		1,477		174
26	Supplies and materials		319		333		14
31	Equipment		629		703		74
32	Lands and Structures		297		104		-193
93	Vocational training expenses included in schedule for funds as whole		-7,018		-7,208		-190
	Total obligations		...		...		...

housing units funded at existing institutions and camp additions are planned at two institutions in 1987. You are already familiar with the facilities we acquired and converted to correctional institutions at Duluth, Minnesota; Loretto, Pennsylvania; and Rochester, Minnesota. The Bureau of Prisons activated the new Federal Correctional Institution in Phoenix, Arizona, in May 1985 and will soon dedicate the new Federal Detention Center in Oakdale, Louisiana.

We expect to begin construction in the near future of a Metropolitan Detention Center in Los Angeles, California, and a Federal Correctional Institution in the northeast. In 1987, we seek important funding to construct three additional Federal Correctional Institutions: a second facility in the northeast, one in the southeast and one in the northwest, and we plan camp additions at two existing institutions.

Even though the Bureau of Prisons is engaged in the largest expansion in its history, efforts to date have not reduced overcrowding but rather reduced the rate of increase. Based on our conservative population projections and activation of all new facilities, including those requested in this budget, by 1991 our overcrowding rate will only be marginally reduced from 45 percent to 36 percent.

Mr. Chairman, the Bureau's 1987 budget requests resources which are vital to our efforts to keep pace with projected increases in inmate population and help reduce overcrowding. At the same time, this budget includes significant spending reductions totalling $6.2 million in 1986 and 1987 in grant programs and proposed management and productivity savings. The 1987 budget reflects many difficult choices on curtailment of programs and operations. But it also reflects a level of resources which, with your support, will enable the Bureau to continue to effectively fulfill its mission.

Mr. Chairman, I would like to summarize briefly the specific increases we are requesting in 1987.

Salaries and Expenses

For the Salaries and Expenses appropriation we are requesting $598,807,000 and 10,857 positions, an increase of $31,287,000 and a decrease of 19 positions. The increase in funding includes a net increase of $16,390,000 in adjustments to the base, partially offset by decreases of $780,000 and 50 positions targeted for productivity savings in 1987. In addition, program increases of $15,677,000 and 31 positions are requested as follows.

The new 160-bed housing unit at the Federal Prison Camp in Montgomery, Alabama, and 60-bed segregation housing at the Federal Correctional Institution, El Reno, Oklahoma, are scheduled to open in April of 1987. Resources totalling $751,000 and 13 positions and $283,000 and 8 positions, respectively, will be required to open and operate these new units.

In addition, we are requesting $250,000 and 10 positions to permit continued operation, in 1987, of the witness protection unit at Federal Correctional Institution in Tallahassee, Florida. You will recall that the Bureau of Prisons activated this unit in early 1986 with savings available from delays in other activation projects. These funds have been restored to the original projects in 1987.

To furnish and equip several new and replacement housing units in 1987, we are requesting $1,435,000. The units scheduled for activation are a replacement housing unit at the Federal Prison Camp, Eglin, Florida; a replacement segregation unit at the Federal Correctional Institution, Tallahassee, Florida; a witness protection unit at the Federal Correctional Institution, Otisville, New York; Cellhouse A, U.S. Penitentiary, Leavenworth, Kansas; segregation units at the

Federal Correctional Institutions, Oxford, Wisconsin, and Safford, Arizona; and expansion of core facilities at the Federal Prison Camp, Allenwood, Pennsylvania and the Metropolitan Correctional Center, Tucson, Arizona.

For 1987, we have requested an increase of $4,938,000 to support a population of 37,812.

Finally, we are requesting an increase of $8,020,000 to upgrade and improve the existing SENTRY ADP system ($4.8 million) and finance the projected higher costs of the Justice Data Services Center resulting from an increase in the volume of transactions in 1987. Automation activities are one important way that the Bureau of Prisons has been able to deal with major workload increases without requiring commensurate staff increases. The requested ADP increase is an essential part of this strategy.

Buildings and Facilities

We are requesting $159,152,000 and 70 positions for the Buildings and Facilities appropriation in 1987. Of this amount, $133,795,000 is requested for the construction of three new Federal Correctional Institutions as follows:

- Federal Correctional Institution Bradford, Pennsylvania - $45,800,000 and 6 positions.

  The Bureau of Prisons has identified this site for location of the second northeast facility. There is substantial support for this facility and we are proceeding with the Environmental Impact Statement and feasibility studies. Negotiations are now underway for design of the facility and we expect to acquire the site this spring at no cost. The facility will provide an additional 700 beds, including a 150-bed camp, and would be scheduled for activation in 1989.

* Federal Correctional Institution Marianna, Florida - $39,675,000 and 6 positions.
This site was acquired in October 1985 and the Environmental Impact Statement was completed in December 1985. The positive response from the local community enabled the Bureau of Prisons to move quickly on this project. We are site-adapting the successful design of the Phoenix, Arizona, Federal Correctional Institution and construction could begin this spring or summer. The facility would provide 750 additional beds, including a 150-bed camp facility.

* Federal Correctional Institution Sheridan, Oregon - $48,320,000 and 6 positions.
Preparation of the Environmental Impact Statement is underway, site acquisition should be completed this summer and construction will begin in early 1987. Projected to be completed and activated in 1989, the facility will provide an additional 800 beds, including a 250-bed camp.

Taken together, these three new institutions will increase the rated capacity of the Federal Prison System by 2,250. In reality, of course, we expect that close to 3,000 inmates will be placed in these facilities.

For Modernization and Repair of Existing Facilities, we are requesting a base of $13,622,000 and 39 positions and program increases as follows:

* Environmental Improvements - $500,000 and 1 position.
This request will permit the Bureau of Prisons to carry out its responsibilities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). The Act requires all Federal agencies to determine if hazardous wastes are present at Federal facilities and to take remedial action.

- Expand Capacity at Existing Institutions - $6.9 million and 2 positions. This request will provide for important additional capacity through the construction of a 150-bed minimum security camp at the new Federal Correctional Institution, Phoenix, Arizona, and a new 100-bed housing unit at the satellite camp at the U.S. Penitentiary, Marion, Illinois.

- Facilities Improvements - $4,335,000 and 4 positions. This request finances ten important security enhancement projects at nine institutions and includes repair/replacement of security fencing, installation of security wire, refurbishment of old buildings and equipment, installation of perimeter detection systems, new doors and locking systems, and highmast lighting.

National Institute of Corrections

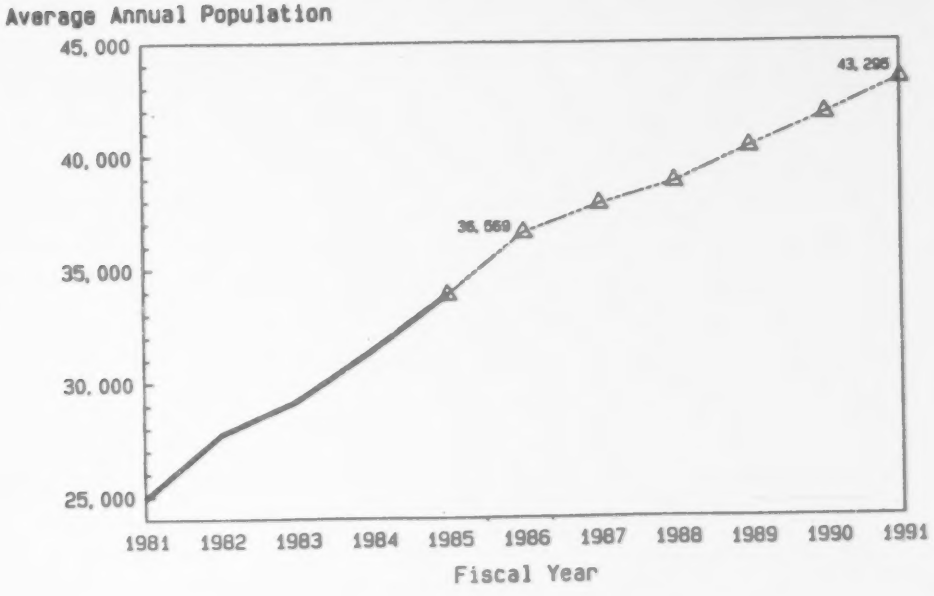
The 1987 budget for the National Institute of Corrections reflects reductions associated with government-wide policy to reduce grant programs in an effort to reduce Federal expenditures. The budget includes a 1986 proposal to rescind $3,315,000 of the Institute's unobligated balances in support of this objective. For 1987, we are requesting $9,495,000 and 41 positions for the Institute, a decrease of $1,505,000 from the current level. This amount, the difference between $656,000 in uncontrollable increases and a program decrease of $2,154,000, reflects new Administration policy to charge non-federal trainees for the costs of travel, meals and lodging associated with Institute sponsored training. Virtually all other Cabinet Agencies currently charge non-Federal trainees for these costs. The Institute will continue to bear the costs of facilities, instruction and other training expenses.

Federal Prison Industries, Incorporated

As you know, Federal Prison Industries, Inc., is a self-sustaining government corporation which manufactures products for sale to other Federal agencies. The profits from these sales are used to maintain, improve and expand the Corporation's industrial operations and to provide training programs for the inmates. For 1987, the Corporation is requesting 37 additional positions to provide supervision for the expansion of factories at 42 institutions and the addition of new factories at two institutions. This planned expansion will provide job and training opportunities for approximately 970 additional inmates. Funding for the staff increases does not require appropriated funds as all expenses of the Corporation are covered by earnings.

This concludes my formal statement, Mr. Chairman. I would be pleased to answer any questions you or your colleagues may have.

Bureau of Prisons Average Annual Population and Forecast



(POPCAP91.BAT)

GRAMM-RUDMAN-HOLLINGS BUDGET REDUCTIONS

Mr. EARLY. Mr. Carlson, because the case you just made for the Federal Prison System, if there is a budget that I have problems with this year myself personally, it is your budget; and the group we will hear following you, the Parole Commission. I have reservations about whether you will be able to do what we direct you to do with this amount of resources.

I understand that a total of $26,401,000 has been sequestered from the appropriations for the Federal Prison System for fiscal year 1986. What impact will those reductions have on your facilities?

Mr. CARLSON. It is going to be difficult. We have a reprogramming action that will be submitted to the Committee shortly. To absorb that amount of money in the face of a rapidly expanding prison population will tax our management abilities to a great extent.

I assure you that we are not going to take money from the critical areas such as food, medical supplies, medical equipment, and the treatment of inmates. We are also not going to reduce staff in the institutions. We are going to make personnel cuts only in the regional and central offices.

We are working with the Parole Commission to reduce the amount of money we spend for Community Treatment Centers, not to keep more inmates in prison but, rather, to find alternative mechanisms by which we can have as many inmates in the community but under a slightly different status than we have today.

1986 SUPPLEMENTAL REQUEST

Mr. EARLY. You have got a $10.62 million supplemental request before this Committee. In addition, with this $26.401 million sequestration, aren't we just lying to the American public when we propose this sequestration, but then require a supplemental? I don't even think you can get by if this supplemental, is approved. As I understand these justifications, the difference will still be about $16 million.

We keep building new facilities but the population continues to grow. How many years ago was it that we had five correctional officers killed in prison riots?

Mr. CARLSON. That was three years ago, as I recall.

Mr. EARLY. In FY 86, this committee gave you 50 additional correctional officers. Have you had any fatalities of guards this year?

Mr. CARLSON. We have not, I am pleased to say.

Mr. EARLY. How many new facilities have you brought on board in the past three years?

Mr. CARLSON. Approximately 3,500 beds. We have brought one facility on line this past year, the Phoenix facility, and the surplus institutions that I mentioned were acquired with the support of this Committee.

Mr. EARLY. Mr. Carlson, early last week we had the Attorney General testify. He stated that of all the problems in the prisons, the rising prison population, which has increased 49 percent since 1981, is the most urgent. We are bringing on new facilities, yet you tell us you are going to get by with this budget.

You requested a supplemental of $10,620,000 to support an average annual population of 36,569 inmates. Since you already have more than 38,000 inmates, is this supplemental going to be adequate?

Mr. CARLSON. In all probability, the answer is no. The population has far exceeded our expectations. I seriously doubt we will be operating the rest of the fiscal year with the figure we gave you. That figure was developed some time ago, before we took the D.C. offenders, and when we thought the Mariel offenders would be released and returned to Cuba.

POSSIBLE 1987 BUDGET REDUCTIONS

You mentioned you are going to be able to implement the Gramm-Rudman-Hollings, 4.3 percent reduction this year, if this supplemental is approved.

What would happen at the Bureau of Prisons if there were a reduction in fiscal year 1987 of the magnitude of 25 percent?

Mr. CARLSON. We could not live with that type of reduction. We would have to close institutions. We have made the cuts that we can make without jeopardizing the basic security and order of our institutions.

1986 REPROGRAMMING REQUEST

Mr. EARLY. I am not sure that that answer should have also been applied to the present budget, too. I understand you have recently submitted a reprogramming request to the Department of Justice in connection with the sequestration. That request has not yet been submitted to the Committee. Could you outline the details of the request at this time?

Mr. CARLSON. We are going to cut back on the transfer of staff from one institutional assignment to the other. That will help in the short run, I believe, without any adverse consequences.

In the longer term, I think it will impact on operations. We are going to make cutbacks in equipment purchases and staff travel. And, as I mentioned earlier, we are working with the Parole Commission to determine if we can't reduce the amount of money spent for Community Treatment Centers. We will not back inmates up in institutions. We are trying to find a mechanism which will permit us to have as many inmates as we have today in the community, but under a different type of supervision by the U.S. Probation Service.

Mr. EARLY. I personally think that you and the Parole Commission—and I recognize full well that this proposal won't be accepted by anybody—have got to get the 5,000 least offensive and most rehabilitated people out of your institutions as quickly as you can. I don't know how you are going to do it, but you have to, so we can reduce overcrowding and fill the prisons with those who are more of a threat to society.

The Committee earmarked $200,000 in the fiscal year 1986 budget for the Prison Match Program, which provides assistance and support programs for families of inmates in Federal prisons. The Committee has found that Prison Match has been an effective program. Does your reprogramming request propose a transfer of funds out of this program; and if so, why?

Mr. CARLSON. We propose that the $200,000 to expand this program which was added by the Committees last year be part of the $24 million reducton.

My point is that if one had unlimited resources, it is a good program. But, given the fact that we have to absorb a reduction of nearly $24 million as a result of Gramm-Rudman-Hollings, I think we have no alternative other than to assume that those funds are lost. It is a frill we simply can't have when we have to make the cutbacks we are going to experience in this fiscal year.

Mr. CARLSON. We have to take it somewhere, and that is one program where it could be cut without adversely affecting the basic operations of institutions.

Mr. EARLY. When you consider the statistics in your statement, and then you suggest that you can operate with a budget that is going to be reduced by some $24 million—I would be awfully concerned if I were you. They say in the product liability crisis, for example, that they are not going after the product as much as they are going after the boards. I think they are going to eventually be going after the Director of the Bureau of Prisons with this budget.

Mr. CARLSON. They already are, sir.

ADDITIONAL CORRECTION OFFICERS

Mr. EARLY. In the conference report on the fiscal year 1986 appropriations bill, the Committee earmarked $1 million and 50 positions above the budget request for additional correctional officers at Federal Prison System institutions, as well as a total of $32,201,000 for Contract Community Treatment Centers and $150,000 for legal assistance to inmates in civil matters.

Have all of these funds been allocated, and have the positions been filled?

Mr. CARLSON. The positions have not been allocated or filled because of the Gramm-Rudman-Hollings reductions. They became available almost immediately after the budget reduction legislation was passed.

Mr. EARLY. So the sequestered money is money that just hasn't been spent. In other words, the Department is absorbing the sequestration through congressional add-ons, thus ignoring congressional intent.

Mr. CARLSON. We are faced with Gramm-Rudman-Hollings and having to sequester that amount of money during the current fiscal year.

Mr. EARLY. You are also faced with the responsibility of running the Federal Prison System, and we are responsible for providing you with the tools and resources. We gave you 50 guards because in FY 1986, when you needed them. We thought they would help you.

Provide for the record a list of the institutions that would be allocated the additional positions.

Mr. CARLSON. We would be glad to.

[The following information was submitted:]

ADDITIONAL CORRECTIONAL OFFICERS

For the 50 additional correction officer positions approved in 1986, a preliminary decision was made to allocate ten positions to each of the five Bureau regions. Decisions regarding allocations to specific institutions will be made after the Bureau can accurately assess the full impact of the reductions required under the Gramm-Rudman-Hollings amendment.

SEQUESTRATION REQUIREMENTS

Mr. EARLY. At this time, I am going to yield to Mr. Dwyer.

Mr. DWYER. Thank you, Mr. Chairman.

One or two questions, Mr. Carlson, regarding the sequestration of the 4.3 percent.

Was there any discussion at all within the Justice Department of what Gramm-Rudman was going to mean to your department?

Mr. CARLSON. Yes. We have made the case, Congressman, as to what the impact will be both in 1986 and in the outyears.

Mr. DWYER. Prior to it passing as a law, were any inquiries made of your office just what type of an impact Gramm-Rudman would have on your operation?

Mr. CARLSON. I don't recall any inquiries prior to enactment of the legislation.

Mr. DWYER. Given the fact that you don't have much room to maneuver, there were no inquiries at all?

Mr. CARLSON. Not to my recollection.

Mr. DWYER. On page 10 of the justifications, you indicate there are 3,425 non-Federal prisoners who are inmates in the Federal Prison System.

Mr. CARLSON. Yes.

D.C. CODE VIOLATORS

Mr. DWYER. And you also mention, the largest amount is for the District of Columbia?

Mr. CARLSON. Yes. About 2,400 are D.C. prisoners.

Mr. DWYER. Why is that?

Mr. CARLSON. Essentially it is because of the problems the D.C. Government has in operating their jail. They have been under a court order to reduce the population since last August, and the result has been that for 4½ months we had to take every inmate sentenced by the Superior Court, as well as the U.S. District Court.

Mr. DWYER. You also have 808 State prisoners in the Federal Penitentiary. Why is that?

Mr. CARLSON. These are essentially inmates whom the various State systems cannot handle. Some are protection cases. They have testified against other defendants; they may have murdered officers in the State prisons. These are special cases that we traditionally have helped the States with.

The States that we deal with also reciprocate and handle some of our difficult cases so that we do make trade-offs.

Mr. DWYER. I suppose there is a disparity. Does the State reimburse you for that?

Mr. CARLSON. Yes, they reimburse us for all State prisoners, and we, in turn, reimburse them. There is a disparity. We have only 102 Federal inmates in State prisons. These are States we work with—where we have a reciprocal arrangement.

The Chairman will recall some years ago when Massachusetts had a critical problem, and we assisted them for several years.

Mr. DWYER. As an average, what type of reimbursement do you get from the States?

Mr. CARLSON. The actual per capita cost of the institution where they are incarcerated—roughly $14,000 a year on the average.

Mr. DWYER. How many prisoners do you have from the State of New Jersey in your lock-up—

Mr. CARLSON. Eight—I don't recall the specific facts. I could provide you a case summary of these, if you are interested, Congressman Dwyer.

MARIEL CUBAN DETAINEES

Mr. DWYER. We are getting the worst of the deal because we have 166 Mariel prisoners in the New Jersey Prison System. I am just wondering who does the bargaining when it comes to paying for these prisoners?

It is costing $15,000 to $16,000 a year in our prison system.

You mentioned the fact—speaking of Mariel Cubans, you mentioned the fact that there was a new processing center being built, and that would generate more Mariel prisoners into the system.

Mr. CARLSON. That is correct.

Mr. DWYER. Where will you put them?

Mr. CARLSON. We are going to build a new housing unit at Oakdale, Louisiana. There are approximately 2,700 identified by the Immigration Service who are serving State prison sentences. Eventually, those people will be returned to the Immigration Service and will have to be housed somewhere by the Federal Government, either by INS or by the Bureau.

Mr. DWYER. When do you anticipate this facility being completed?

Mr. CARLSON. In approximately 12 months.

Mr. DWYER. So the states will continue to absorb the operating costs with the Mariel Cuban prisoners, but some time we can look forward to sending them to this new institution?

Mr. CARLSON. I can't make that commitment. Virtually every State prison system in the country shares the problem.

Mr. DWYER. Is it logical to assume that this might happen?

Mr. CARLSON. We will take as many as we can. But I can't assure you we will take all the cases from New Jersey or any other State.

FEDERAL PRISON INDUSTRIES

Mr. DWYER. Just for my own information the Federal Prison Industries—I know it is a self-liquidating program and apparently successful—what type of money is involved? What is the capitalization of that program? I know you sell most of the things you make to the Federal Government.

Mr. CARLSON. All products are sold to the Federal Government. Sales last year were $250 million. We employ nearly 11,000 inmates on a regular basis, producing furniture, canvas goods, and printing for government agencies. A host of different products are produced by inmates working for Prison Industries.

I might add, that Federal Prison Industries is one of the single most important programs we operate. Were it not for the fact we keep 11,000 inmates constructively occupied, there is no way we could manage the Federal prison population today.

Mr. DWYER. It is probably a very worthwhile program and probably the prisoners look forward to participating.

Mr. CARLSON. Absolutely. They are paid, and save the money and send it to their families. I think it is a tremendous program.

Mr. DWYER. Thank you.

ACQUISITION OF SURPLUS PROPERTY

Mr. EARLY. Speaking of other institutions, that was really Chairman Smith who several years ago really started the big push for the Bureau to take over some excess property. This committee was instrumental in assisting you in acquiring Duluth, Minnesota, Loretto, and Rochester, Minnesota.

Are those all in use now?

Mr. CARLSON. The one at Loretto, Pennsylvania has approximately 200 inmates assigned to it. They are now doing the renovation work which will be completed this fall. We will then go to 500 inmates.

FORT DIX, NEW JERSEY

Mr. EARLY. What happened to my good friend Mr. Dwyer; institution at Fort Dix? I originally thought we would give it back to you. That was a maximum security prison which the Defense Department acquired. That was a $6 million facility, I believe when built 15 years ago. But I thought Fort Dix was given back to the Federal Government.

Mr. CARLSON. The Federal Government leased the Fort Dix stockade to the State of New Jersey for a period of five years. They were given a one-year extension which expires, I believe, in September or October of this year. We are looking carefully at the facility and have already made a preliminary request to the DOD that it be turned over to the Bureau of Prisons when the State of New Jersey's lease expires.

Mr. EARLY. Do you know how much the State of New Jersey is using it?

Mr. CARLSON. Full capacity. They have over 400 inmates. They are building a new institution that will be completed in 1987. At that time, the Fort Dix facility will be surplus and we would like to acquire it with the support of this committee.

Mr. EARLY. I am for that.

How much did we lease it to them for?

Mr. CARLSON. I don't recall the figure.

Mr. EARLY. I would imagine we would take it back as soon as it is available. I would think that once you got that facility back, you would take any Federal prisoners that we have in New Jersey?

Mr. CARLSON. We will certainly try to help the New Jersey authorities out.

[The following information was submitted subsequent to the hearing:]

FORT DIX LEASE

Subsequent to the hearing we understand that the State of New Jersey is leasing the facility at Fort Dix for $300,000 a year.

1986 SUPPLEMENTAL REQUEST

Mr. EARLY. When was the $10.62 million supplemental put together?

Mr. CARLSON. Approximately three months ago.

Mr. EARLY. And are these numbers accurate today?

Mr. CARLSON. No. They are low estimates. The population has far exceeded our expectations. We could use another $5.5 million to accommodate the number of prisoners that were not expected three months ago when the request was initially submitted.

Mr. EARLY. The supplemental assumed there were 36,569 prisoners?

Mr. CARLSON. That is correct.

Mr. EARLY. How many do you have today?

Mr. CARLSON. 38,200.

Mr. EARLY. Is the projected average population predicted to stay constant after accounting for these additional 1,500 or so? You could not possibly tell this Committee that tomorrow we might have a huge decline in the number of inmates?

Mr. CARLSON. I don't think there is any possibility that the population will decline. I believe it will continue to expand. I would only hope not as rapidly as it did last year.

The D.C. situation compounded our problems. We had no idea we would have to take all the offenders from the District of Columbia for 4-1/2 months. We may have to do that again.

I understand from the papers that D.C. has not done anything to solve the basic problem, and it is conceivable that we will have to become involved at some later date.

Mr. EARLY. Mr. Carlson, you earlier told me about that supplemental. This isn't the best time for supplementals.

What if you don't get the $10 million?

Mr. CARLSON. Mr. Chairman, there is no way we could continue to operate the system as it is today given the constraints of Gramm-Rudman-Hollings and not have that $10 million supplemental. It represents the increase in prisoners that we had not anticipated.

CORRECTIONAL OFFICERS

Mr. EARLY. Have you taken any sequestered money in correctional officers?

Mr. CARLSON. We have not—except for the 50 positions we did not fill because they became available immediately after the Deficit Control Act was passed. We are not cutting back existing staff in institutions.

Mr. EARLY. Do you have any facilities that are not filling the guard vacancies due to lack of resources?

Mr. CARLSON. Not because of Gramm-Rudman. We have some institutions that have difficulty recruiting because it is hard to find officers in areas where unemployment is low.

Mr. EARLY. I think your people are underpaid. I would think you would have a serious problem, especially with the amount of drug-related inmates you have and the money that they have available to them. This is more of a temptation when your guards are underpaid.

Mr. CARLSON. We have problems recruiting staff for the salaries we provide.

UNIFORM ALLOWANCE

Mr. EARLY. How about this language change with regard to purchasing uniforms? The justifications indicate you are making this proposal because your pending authorization bill for fiscal year 1987 provides for a general purchase price limitation for uniforms.

Would you need a continuation of the provision in the appropriation bill if the reauthorization is not enacted?

Mr. CARLSON. Without question.

INMATE POPULATION PROJECTIONS

Mr. EARLY. On page 16 of the justifications, you are projecting an average daily population of 37,812 in your institutions. This is an increase of 1,243 from the projection for fiscal year 1986. For the last several years, your population projections in the budget documents have been underestimated, and it has been necessary for you to request a supplemental for subsistence costs to accommodate the increase in the population.

This budget document was prepared last fall. Do you believe that your estimate for 1987 is still accurate?

Mr. CARLSON. Mr. Chairman, I have to say that those projections are low. They were put together a number of months ago, and at the time we had no idea that we would have the D.C. influx.

Mr. EARLY. Provide for the record the amount of money you need to offset the increase in population from what you requested in the supplemental. Because now you are seeing numbers that are much higher—I want to know how much you need in addition to the $10,620,000 to adequately do the job.

Mr. CARLSON. We will supply that, Mr. Chairman.

Mr. EARLY. For 1986 and 1987.

[The information follows:]

PROJECTIONS ABOVE SUPPLEMENTAL LEVELS

The Bureau currently estimates that the average inmate population for 1986 will total 37,850, an increase of 1,281 above the level projected in the 1986 supplemental request. The total supplemental required to support this population level is $15,500,000, an increase of $4,880,000 above the amount contained in the pending supplemental request.

A recalculation of the 1987 estimate, based on the latest actual inmate population and recent trends, would increase the average inmate population to 40,789, an increase of 2,977 above the original estimate contained in the 1987 budget. An increase of $16,765,000 will be required to finance this population level in 1987.

SAVINGS ASSOCIATED WITH SEQUESTRATION

Mr. EARLY. Also, I want you to identify where you made up your savings from the 4.3% sequestration.

[The following information was submitted:]

FEDERAL PRISON SYSTEM: AMOUNTS SEQUESTERED PURSUANT TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

[Dollars in thousands]

Appropriation/program	1986 budget as enacted	Funds sequestered
Salaries and expenses:		
Inmate care	$121,007	−$5,203
Institution security	124,277	−5,344
Unit management	43,957	−1,890
Inmate programs	31,062	−1,335
Institution administration	70,215	−3,019
Staff training	7,766	−334
Institution maintenance	75,899	−3,264
Contract confinement	55,383	−2,382
Executive direction and control	11,222	−483
Administrative services	16,112	−693
Subtotal, salaries and expenses	556,900	−23,947
Buildings and facilities: Modernization and repair of existing facilities	46,063	−1,981
National Institute of Corrections	11,000	−473
Total appropriated funds, Federal Prison System	613,963	−26,401

It should be noted that the Department will be forwarding shortly, a reprogramming proposal to redistribute the amounts above to accommodate the required reductions consistent with the Bureau of Prisons' current financial planning.

ACTIVATION OF NEW FACILITIES

Mr. EARLY. Are we going to tell this Congress that you are going to cut out the Prison Match program at facilities, because we don't have the money to do it? Are we going to tell them that?

You are requesting a total increase of 31 positions and $2,719,000 to activate new facilities and purchase equipment for these facilities. Can you tell us where those facilities are located, the projected activation dates, and whether those projected dates are still accurate?

Mr. CARLSON. The first is a new housing unit at Maxwell Air Force Base. This is a minimum security camp operated on the Air Force Base. That new facility is on schedule. It will expand the capacity of the institution.

The other I will supply for the record.

Mr. EARLY. I want the dates that you expect them to be activated. Please expand on these 31 positions in relation to activating a 24-bed witness program.

What about the Division of Prisons? Your justification states that this one in Tallahassee, Florida is a 24-bed witness security unit. I thought others were in charge—just as the Marshal Service is in charge of the protective witness program.

Mr. CARLSON. We have responsibility for inmates who are currently serving Federal sentences and who have cooperated with the U.S. Attorneys, FBI and DEA. The unit at Tallahassee has a capacity of 20. We are asking for 10 positions to operate that facility. These are inmates who have cooperated and, as a result, are considered in potential personal danger. If they are housed in a regular prison population, they won't live long.

Mr. EARLY. Are you telling the Committee that the other witness program has no sentenced felons?

Mr. CARLSON. That is correct. They are not serving prison sentences. They have been paroled or released from custody. We have responsibility for those who are serving a Federal sentence.

Mr. EARLY. Are you comfortable with this 24-bed unit with 10 employees, 3 each shift—for people who have serious threats on their lives within the walls?

Mr. CARLSON. That new unit was designed very carefully, and I believe that 10 positions will be adequate. It uses technology and, as a result, we think we can do it with the 10 positions.

[The following information was submitted subsequent to the hearing:]

Capacity Expansion at Existing Institutions

Facility/Project	*Activation date*
El Reno, OK FCI, Segregation Unit	4/87
Tallahassee, FL FCI, Witness Protection Unit	10/85
This unit was activated in 1986 with savings available from delays in activating other projects. Funds will be restored to the original projects in 1987. The funds requested for this project will permit continuation of the unit's operation through 1987 and beyond.	

The following activation projects involve upgraded/replacement housing and expansion of core service facilities and therefore do not require additional staff. The funds requested will finance the equipment requirements of the new units.

Eglin, FL FPC, Replacement Housing	4/87
Tallahassee, FL FCI, Replacement Segregation Unit	4/87
Otisville, NY FCI, Replacement Unit	4/87
Leavenworth, KS USP, Cellhouse A	8/87
Oxford, WI FCI, Segregation Unit	7/87
Safford, AZ FCI, Segregation Unit	4/87
Allenwood, PA FPC, Core Expansion	5/87
Tucson, AZ MCC, Core Expansion	9/87

CONSTRUCTION OF NEW FACILITIES

Mr. EARLY. All are new facilities that you suggest the Committee equip?

Mr. CARLSON. The institution we are talking about for Mariana, Florida, will be a site adaptation of the facility dedicated last May in Phoenix. It is the most modern and technologically advanced institution in the country.

Mr. EARLY. Do you handle architectural changes?

Mr. CARLSON. Yes; with Marianna in particular. It is a site adaptation of the Phoenix design. It saves time and money, both of which are important to us.

Mr. EARLY. For both projects, give us reasons why they can't do that.

Mr. CARLSON. I think our track record is very good.

SHORTAGE OF INSTITUTION SECURITY STAFF

Mr. EARLY. On page 19 of the budget justifications you state, and I quote: "Notwithstanding the critical shortage of correctional officers at existing institutions, this budget requests no additional staff for the Institution Security Program for 1987 in anticipation of an austere climate."

How large is the shortage at existing institutions? How many additional correctional guards did you request of OMB?

Mr. CARLSON. I don't recall, Mr. Chairman. I will have to provide that for the record.

We did request additional positions, however.

Mr. EARLY. Provide it for the record, please.

[The information follows:]

REDUCTION OF LAPSE RATE

Apart from new activations, the Bureau requested no additional security positions. The Bureau did, however, request $3,498,000 and 150 additional workyears to reduce the lapse between authorized positions and workyears enabling us to fill previously approved security positions for a longer period of time during the year.

ADDITIONAL POSITIONS NEEDED

Mr. EARLY. Also, provide for the record which institutions have the greatest shortage of officers, and how many additional positions would be needed at each one of them.

[The information follows:]

CORRECTIONAL OFFICER SHORTAGE

Because of the continuing rapid increases in inmate population, frequent radical population shifts (e.g., the influx of the D.C. Code violators) and recent capacity increases coming on line, the actual correctional officer shortage at individual institutions fluctuates almost daily; a deficit count today would be obsolete tomorrow.

GUARDS AT NEW FACILITIES

Mr. EARLY. I would think with new institutions coming on line that you would want to make sure that you get off on the right foot with an amount of adequate guards to start the program.

Mr. CARLSON. With new institutions, we have had no problems. They have been fully funded by both OMB and your Committee. The problem is in existing institutions where the population has gone up rapidly and we have not been able to keep up with the growth of the inmate population.

Mr. EARLY. Do you have a work load standard about how many prisoners each officer is expected to handle.

Mr. CARLSON. Yes, we do. We will provide that for the committee.

Mr. EARLY. Could you give us a ball park figure?

Mr. CARLSON. We have one officer for every 7.4 inmates, and the target is—I will have to provide that for the record.

[The information follows:]

OFFICER/PRISONER RATIO

Based on the 1985 average daily inmate population, the ratio of Bureau institution security staff to inmates is 1:7.4. Based on the current population level of 38,300 this ratio has already increased to 1:8.3.

The ratio is simply that of the total number of correctional officers to the total number of inmates. Since prisons obviously operate 24 hours a day, seven days a week, one correctional officer may supervise from 50 to 100 inmates depending on the specific work shift.

During this period of significant overcrowding in the Federal Prison system, our goal would be to reduce the ratio to one correctional officer to seven inmates (1:7). However, understanding the current fiscal environment, we recognize that this goal cannot be achieved at this time.

STATE STAFFING

Mr. EARLY. How does it compare with the states; do you know?

Mr. CARLSON. We are much lower in staff than the States. The State average, as I recall, is one officer for every 4.5 inmates. We are one officer for every 7.4 inmates. We operate with a very austere staffing pattern.

Mr. EARLY. I have visited several of your institutions. Anybody that says any of them are country clubs, are wrong.

Mr. CARLSON. We appreciate that.

Mr. EARLY. For example, the Danbury Halfway House and maximum security, the halfway house isn't someplace you are looking to be. The warden told me that he has never had anyone request to stay there.

On page 31 of the justifications you are requesting $14,000 to provide "some training" for new positions.

How much and what kind of training can you provide with $14,000? You can't hire a teacher in New Jersey at $14,000.

Mr. CARLSON. These are the costs to train the officers at the Federal Law Enforcement Training Center. This would allow us to send new staff to the training center and provide them with the basic orientation program. It is not to hire a teacher, but rather to pay employee expenses to go through the staff training program.

Mr. EARLY. How many could you send with $14,000?

Mr. CARLSON. Approximately 30 officers, Mr. Chairman.

Mr. EARLY. Do you try to send every new person hired there?

Mr. CARLSON. That is a requirement. We are not cutting back on basic training because of Gramm-Rudman-Hollings. All new employees go through the basic orientation program at Glynco.

CONTRACT CONFINEMENT PROGRAMS

Mr. EARLY. Page 33 of the justifications, indicates that you are not requesting any increase in your Contract Confinement Program. With the substantial increase in your prison population, wouldn't it make some sense and save the Government money if you were to expand the program to care for Federal offenders in contract facilities?

Mr. CARLSON. There are no spaces in the country available to us. Many States are having the same degree of overcrowding as we are.

Mr. EARLY. How many prisoners do you have in your halfway house?

Mr. CARLSON. We have an all-time record high of 3,300. Approximately 10 percent of our total inmate population today is in a halfway house.

Mr. EARLY. Anyone in a halfway house is there for a short time and is going to get out anyway?

Mr. CARLSON. That is correct.

Mr. EARLY. Within what period of time?

Mr. CARLSON. 120 days on the average.

Mr. EARLY. What is the eligibility criterion? How many inmates would be eligible if those 3,300 were released tomorrow? Would inmates that you didn't have room for be put into that program?

Mr. CARLSON. We would have to change the criteria because we take all inmates now who are within 120 days of release—that is, 3,300, with certain exceptions of course. The sex offenders, the violent, the dangerous and predators are not sent to a halfway house, for security reasons. But any inmate who is a reasonable risk is sent to a halfway house for the last 120 days.

Mr. EARLY. What happens to them?

Mr. CARLSON. They remain in institutions until their release date, if we consider them to be so dangerous that they would present a threat to the community.

Mr. EARLY. Would it be good judgment for us, in your opinion, with the circumstances that you are presenting to this Committee today—with the rising population—would we be better off to set free under parole supervision those 3,300?

Mr. CARLSON. Mr. Chairman, that is one of the things that we have talked to the Parole Commission about. We are going to make savings in the contract Community Treatment Center budget by having inmates under more restrictive parole supervision at an earlier date. The net effect will be they will be released from halfway houses at an earlier date and be placed under supervision of the U.S. Probation Service.

EDUCATION/VOCATIONAL PROGRAMS

Mr. EARLY. I am glad to hear you are talking about going to the Parole Board about this. I realize that you will have nothing but trouble with this type of decision. But; it is also evident that it is what we should do. Prisons, at least, should be the biggest threats, and this population, will reach 40,000 but you are expected to cut $26 million; we have just got to be honest, I think.

What percentage of the Federal prison population participation is in educational, vocational and other rehabilitation type programs?

Mr. CARLSON. Anyone who is illiterate coming into a Federal prison must go to school for 90 days. That is a requirement. We find that the majority do pick up basic education, become literate and, as a result, finish up their schooling while incarcerated. Those who are literate go on a voluntary basis.

I could provide the numbers for you.

Mr. EARLY. Provide for the record the number of people that couldn't read when they joined your club, but could read when they left.

[The information follows:]

NUMBER OF PRISONERS ENROLLED IN ABE

Approximately 20 percent of the inmate population has less than a sixth grade education. The Adult Basic Education (ABE) program is designed to improve functional literacy. In fiscal year 1985 there were 10,241 enrollments and 5,267 completions in ABE courses, a completion rate of 51.4 percent.

RELEASE BASED ON LITERACY

Mr. EARLY. Doesn't Virginia have a statute that they will not release any prisoner that cannot read?

Mr. CARLSON. Yes. I believe the governor announced that recently.

Mr. EARLY. What is your opinion of that?

Mr. CARLSON. I have questions about making that an absolute requirement. There are some inmates who, because of limitations, emotional and psychological, don't have the ability of learning. I would hate to keep people in prison simply because they can't learn to read and write.

I think our position is sound. We require inmates who function below the 6th grade level to go to school for 90 days. After that period, if they can't learn, they are permitted to drop school and move to another institutional program.

Mr. EARLY. Do you really make them go to school?

Mr. CARLSON. Yes; they are required.

Mr. EARLY. Can they just go and sit?

Mr. CARLSON. You obviously can't force them to learn. But they are required to go to school. If they don't go, they are disciplined.

ADP SYSTEMS

Mr. EARLY. On page 39 of the justifications you are requesting $8 million for computers and office automation equipment to replace your SENTRY terminals. I understand that this acquisition would bring a significant change to the way the Federal Prison System currently operates its computer system. What is the justification for this new system? Were any studies conducted on the costs and benefits of this system before you made this proposal? And what will be its operational impact on your institutions?

Mr. CARLSON. This was a long-range plan developed by the Bureau of Prisons. It was sent to the Justice Management Division. They concurred with our proposal.

Essentially, it updates the equipment available in our information systems. I might add, we are reducing a number of positions by 50 next year because of management improvements, and that is directly the result of our increased use of automation.

For example, sentence computations today are done by computer, not by staff. That is a tremendous savings, and is the reason we could make those reductions as mandated by OMB.

Mr. EARLY. What was the time schedule when we initiated that program? When was the completion date; do you recall?

Mr. CARLSON. Essentially, it was over a four-year period that we acquired the hardware. This request updates the system.

Mr. EARLY. But we have completed the system?

Mr. CARLSON. Yes. The system has been operational for three years.

Mr. EARLY. I yield to Mr. Dwyer.

Mr. DWYER. No further questions. Thank you.

CONSTRUCTION OF NEW FACILITIES

Mr. EARLY. I have some more.

Your budget request includes an increase of $133 million for construction of three new Federal prisons. You have told us where they will be located.

Do you have completion dates for these sites?

Mr. CARLSON. Yes, we have, Mr. Chairman. The locations will be Marianna, Florida, Bradford, Pennsylvania, and Sheridan, Oregon.

Marianna, Florida will be completed during February of 1988. Bradford is scheduled in fiscal year 1989, as is the facility in Sheridan, Oregon.

Mr. EARLY. So, you have sites for all three?

Mr. CARLSON. We do.

The Environmental Impact Statement has been completed on Marianna, Florida, and we have started construction. The other two Environmental Impact Statements will be completed in the near future.

IDENTIFICATION OF SURPLUS PROPERTY FOR PRISONS

Mr. EARLY. In view of the Gramm-Rudman legislation, don't you think the Department should be identifying more surplus property?

Mr. CARLSON. We are looking at every possible surplus piece of property. The site at Marianna was a former Air Force Base turned over to the county. The county gave it back to the government at no cost to the taxpayer.

Mr. EARLY. What about the purchase price on the other two sites?

Mr. CARLSON. At the proposed Bradford site there is no cost; and at Sheridan, there will be nominal cost. The State has agreed to share part of that with us by offsetting contributions to the project.

Mr. EARLY. We have the plans?

Mr. CARLSON. The plans are underway. For Marianna, they are virtually copies of the Phoenix design.

Mr. EARLY. Are there Federal facilities or lands which have not been accessed, which the Bureau believes are not being used by the other Federal agency, that would be good for prison use?

Mr. CARLSON. Mr. Chairman, we have tried to acquire other sites especially in the Northeast region. Because of strong community opposition, we were unable to acquire those properties even though the sites were surplus. We were interested but community opposition was so intense we simply could not acquire the properties.

Mr. EARLY. You are optimistic about getting Fort Dix back, though?

Mr. CARLSON. Yes. I think we will be able to accomplish that.

Mr. EARLY. Could you supply for the record the date that they expect the prison to be completed?

[The following information was submitted:]

COMPLETION OF NEWARK, NEW JERSEY, SITE

New Jersey authorities have advised us that they have experienced some construction delays and they currently estimate that construction of the Newark, New Jersey State Prison will be completed in July 1987.

LEGISLATIVE AUTHORITY

Mr. EARLY. Are any changes needed in Federal law or regulations to facilitate the use of Federal property for prisons?

Mr. CARLSON. No. I think we have adequate legislative authority.

Mr. EARLY. On page 3 of the justifications, you indicate that even if we provide the new facilities that you are requesting, you

will have an average of 36 percent overcrowding in your institutions by 1991. How are we going to handle that problem?

Mr. CARLSON. Mr. Chairman, we are managing with 45 percent overcrowding today. One good point is that we will reduce the level of overcrowding to some extent. It requires a lot of management skill on the part of our staff.

Federal Prison Industries, I think, is the one key to our success. The fact that we can keep inmates constructively occupied for eight hours a day makes the system work.

CONSTRUCTION OF FACILITY FOR ILLEGAL ALIENS

Mr. EARLY. The Appropriation Act for fiscal year 1986 included a provision which made a total of $7.1 million available from currently available funds to renovate or construct a facility for the incarceration of illegal alien felons.

What is the status of that project?

Mr. CARLSON. That is the secure alien detention facility which we estimate will be activated by December 1986. The Federal Detention Center at Oakdale, Louisiana, will be dedicated on March 21, 1986. It was completed on time, within the dollar figure provided by the Congress, and we will begin transferring inmates there during the next 30 to 60 days.

Mr. EARLY. What is the capacity of that facility?

Mr. CARLSON. One thousand. These are aliens who are detained by the INS. They will not reduce our population of inmates. They are the responsibility of the Immigration and Naturalization Service, who are now housed in local jails.

RENOVATION/REPAIR OF EXISTING FACILITIES

Mr. EARLY. On page 19 of your justifications, you are requesting an increase of $11,735,000 for renovation and repair projects, to begin the clean-up of hazardous waste material at your institutions, and to construct new inmate housing at two existing institutions. How extensive is the hazardous waste problem?

Mr. CARLSON. We don't know yet. We have hired consultants to evaluate the problem. Our institutions, like all agencies, had dumps where they disposed of everything. We now have contracts which will allow us to determine the extent of the problem.

Mr. EARLY. Do you know how many institutions it affects?

Mr. CARLSON. Eighteen sites at 10 different institutions.

Mr. EARLY. Do you have any estimated costs on the clean-up?

Mr. CARLSON. We do not at this time.

NATIONAL INSTITUTE OF CORRECTIONS

Mr. EARLY. The President is proposing a rescission of $3,315,000 in unobligated grant funds from prior years. Did you propose this rescission?

Mr. CARLSON. No. This involves prior year funding for the National Institute of Corrections, money allocated but not spent.

FEDERAL PRISON INDUSTRIES

Mr. EARLY. Mr. Carlson, I have always defended the merits of the Unicor, the Federal Prison work program because of the rehabilitative benefits to prisoners and profits it provides. I recently received correspondence, which I will insert for the record, from an electronic company in my district that produces MIL–C–26482 connector makers, claiming that connectors assembled by Federal prisoners will be the only sources approved to sell to the government and that this will deeply hurt their business, as well as hamper free trade. Could you comment on this?

Mr. CARLSON. If we find we are unduly competing with the private sector, we will not take the contract. I will check on that particular contract. I am not familiar with it.

[The following information was submitted:]

POWELL ELECTRONICS, INC.,
Westborough, MA, February 10, 1986.

Congressman JOSEPH D. EARLY,
Worcester, MA.

DEAR CONGRESSMAN EARLY, Powell Electronics, Inc. is a Philadelphia headquartered electronic component distributor with branches located in Massachusetts, New Jersey, Maryland, Alabama, Florida, Texas and California.

We provide MIL–C–26482 connectors to the military and many of the subcontractors. The impending changes in distribution of MIL–C–26482 connectors to the government, will have catastrophic effects on our business.

In our fiscal year, which ended April 1986, MIL–C–26482 connectors represented 9% of our total business, and thru eight months of fiscal 1986 represented 6%. The loss of three million plus dollars of income annually would have a devastating effect on our Westborough work force.

I am enclosing a copy of a recent article from "Electronic Buyers' News" for your review. Your assistance to private industry has long been your trademark. We, a small business enterprise, seek your continued support.

Sincerely,

ROBERT T. BOWEN,
New England Branch Manager.

[From 'Electronic Buyers' News, Jan. 20, 1986]

CELLBLOCK DECREE IRKS 26482 FIRMS

(By Diane Norman)

NEW YORK.—Because of a Federal prison work program, military connector houses that choose to have their connectors assembled by prison inmates will be the only sources approved to sell MIL–C–26482s to the Government.

Meanwhile, some MIL–C–26482 connector makers have castigated the prison work program, saying it would hamper free trade if Government buyers were required to use Federal Prison Industries Inc. (also known as Unicor) as the sole source for the MIL–C–26482 connectors.

According to the Federal Acquisition Regulation, Subpart 8.5 Paragraph A, FPI, a branch of the Department of the Justice, would be the sole source for the MIL–C–26482 connectors. Guidelines established under the FAR list a schedule of products that must be made in Federal penal and correctional institutions. FPI claims that MIL–C–26482 connectors fall under that schedule and, therefore, claims that Government buyers can purchase only those MIL–C–26482 connectors that have been assembled in Federal prisons.

Deutsch Co., in Banning, Calif., is currently the only vendor supplying 26482 connector piece parts to Federal Prison Industries according to an FPI source.

FPI declined to comment when asked whether other MIL–C–26482 makers are being considered as suppliers for prison-assembled connectors.

A few connector marketers told EBN they might join in the program, designed to keep Federal prisoners busy and to teach them marketable skills.

According to a spokesman for the Defense Electronics Supply Center, there is nothing to stop manufacturers from participating in the Federal program.

The DESC spokesman last week said the agency has reviewed the Federal Acquisition Regulation (FAR) and plans to comply with the regulation unless certain exceptions apply, such as those mandated by market price conditions, immediate delivery requirements or qualification problems.

"All I can say right now is, that we are working to comply with the statute," the DESC spokesman said. "But as it stands right now, there have been concerns expressed by the industry such as whether FPI diversifies its products and services to prevent private industry from experiencing unfair competition from prison workshops or activities."

Deutsch declined to comment on its participation in the work program or on the DESC spokesman's concern.

The miniature cylindrical connectors are being assembled in a three-month-old facility at the Federal medium-security prison in Phoenix.

John Obremsky, assistant division manager of operations at FPI's Electronic Plastics and Optics Div., in Washington, D.C., said the work program eventually could be expanded to include other military cylindrical connectors.

According to Mr. Obremsky, FPI has approached vendors on the qualified products for MIL-C-26482 Series I and II to determine whether they would be interested in supplying connector parts for assembly in the Arizona prison. But he declined to say whether negotiations are under way or whether other makers have expressed interest.

FPI, formed by an act of Congress in 1934, operates about 40 assembly or manufacuring facilities in maximum-, medium- and minimum-security prisons in the United States, Mr. Obremsky said.

The Federal Agency if regulated by the U.S. Department of Justice and receives no Government funding, he added

Prisoners' pay scales range from $.22 to $1.10 an hour, depending on their skills and on how long they have been in prison, Mr. Obremsky said.

Last year FPI—which, in addition to the electronics division, is comprised of the Data Graphics, Textiles and Leather and Metal Products Divs.—sold $259.000 million in products to Government procurement agencies.

Federal prisoners for years have been assembling connectors in cable assembly and harness operations, Mr. Obremsky said. (One connector vice president, who asked to remain anonymous, told EBN that his company had sold $400,000 worth of cylindrical connector piece parts to FPI in 1985.)

As for its recent decision to shift all 26482 assembly to the Arizona correctional facility. Mr. Obremsky said FPI decided to assemble the connectors it has been purchasing to eliminate problems getting components from its suppliers.

Mr. Obremsky declined to say whether there had been any complaints about FPI's deliveries. Neither would he reveal FPI's lead times on MIL-C-26482 connectors. However, he said its prices are competitive with market conditions, although he wouldn't provide numbers.

According to DESC, 15 connector companies are on the QPL for MIL-C-26482. Among them are: Allied-Signal Inc.'s Amphenol Products company, in Lisle, Ill. (Series I and II), Burndy Corp., in Norwalk, Conn. (Series I); ITT Cannon, in Fountain Valley, Calif. (Series I and II); Deutsch (Series I and II); Matrix Science Corp., in Torrance, Calif. (Series II); and Souriau Inc., of Valencia, Calif. (Series I and II).

Frank Zavattaro, director of sales and marketing for Burndy's Mil/Aerospace Group, said he has received information about the Federal plan to assemble MIL-C-26482 connectors at the Arizona prison. While declining to comment further, he termed the program "very interesting."

But one competitor speculated that Burndy might be considering supplying its MIL-C-26482 Series I connector to FPL.

Burndy declined to provide its sales volume for the MIL-C-26482.

Another marketer, William O'Hirok, director of military marketing for Cannon's operations in Santa Ana, Calif., and he believes the program is inequitable and "grossly unfair."

When asked whether Cannon would consider participating in the prison work program, he responded that it would be "sticky" have a number of manufacturers' components being assembled in one facility.

He declined to provide specific sales figures for Cannon's MIL-26482 connector lines, however, he said the company and its distributors will lose money because Government buyers are required to buy the connectors from FPL.

Anthony Westcot, marketing VP at Matrix Science, said he is concerned about the work program "simply because it smacks in the face of the Government's effort (up until now) to encourage dual sourcing and competitive bidding."

Since Matrix Science has not received official notification from DESC, Mr. Westcot said he could not comment at length on the prison work program. But he said "I think Matrix employees would resent paying taxes to support our prison systems and finding out they are competing with persons in prisons and perhaps losing their jobs."

Souriau president Shree Ramadas noted that the MIL-C-26482 connector is an important part of the company's business, but he declined to reveal specific sales figures.

He noted, "We sell a lot to DESC and we can't afford to lose the business. However, I have not seen anything in writing and until I see something in writing, I'm not worried about it."

Mr. Ramadas, meanwhile, questioned whether the program is legal and whether it is a good business practice to have a sole source of supply.

Amphenol was unavailable for comment at press time.

The DESC spokesman said FPI is automatically qualified to MIL-C-26482 because Deutsch is qualified to MIL-C-26482.

He noted that DESC has purchased 500,000 MIL-C-26482 connectors since November and of that amount, 23,000 have been bought from Federal Prison Industries.

Since its introduction in the 1960's, the MIL-C-26482 Series I has become the most often-used military miniature cylindrical connector, said Glenda Derman, division manager of interconnection and packaging at research firm Gnostic Concepts Inc., in San Mateo, Calif.

She predicted that both MIL-C-26482 Series I and II will continue to be leading connectors in Government military applications for transportation equipment, such as tanks and helicopters, as well as for missiles, launch systems and military radar and communications devices.

Ms. Derman projected annual sales in 1986 for MIL-C-26482 Series I and II at $167 million.

UNICOR ASSEMBLY OF MILITARY CONNECTOR C-26842

Military connector C-26482 is one of a series of round cable connectors used by UNICOR in its cable assemblies, most of which are produced for the Defense Electronics Supply Center. The total market for cylindrical connectors is about $839 million per year, and the market for this particular connector is estimate to be from $167 to $180 million; the DESC market for the C-26482 connector by itself is $7-9 million per year.

UNICOR remains committed to not manufacturing more than 15 percent of any product in the electronics field, in order to not adversely impact the private sector. In the past however, UNICOR has had problems in obtaining reliable supplies of this connector, which is available from only four domestic supplies. As a result, a decision was made to begin production of this item for our own needs. UNICOR production of the MIL-C-26482 connector is estimated at about one million dollars per year; in the first three months of this year, we accepted orders for only $280,000 worth of this product, some of which were for delivery as much as nine months from the date of the order. This annual estimate of one million dollars in production constitutes from 11-14 percent of the DESC market, and less than one percent of the total market for the product.

Powell Electronics has, in the past, been one of UNICOR's suppliers for the C-26482 connector. After they made their concerns known regarding our entry into the manufacturing market. UNICOR staff contacted their main office in Philadelphia, and offered to work with their staff to achieve a mutually agreeable accord on this issue by UNICOR purchasing the component parts for these connectors from Powell. As of this date, no response has been received.

COMPETITION WITH PRIVATE SECTOR

Mr. EARLY. Also, have you had any similar complaints.

Has there been a change in the statutes or rules on distribution of this or any products?

Mr. CARLSON. We get comparatively few complaints considering the size of the business. I think the reason is we do not try to take away work that would interfere with the business sector operations.

Mr. EARLY. You don't know of circumstances where government buyers are required to purchase from Unicor?

Mr. CARLSON. The statute provides if we produce a product, they must purchase it, if we are competitive in price. Where we find we are taking large amounts of work away from the private sector and causing them to close factories, we will get out of the product line.

D.C. CORRECTIONS

Mr. EARLY. It is my understanding that in February the D.C. Government filed suit in the U.S. District Court to force the Federal Government to take newly sentenced D.C. inmates into the Federal Prison System. What impacts have the overcrowded D.C. facilities had on the system?

Mr. CARLSON. The D.C. situation has exacerbated the overcrowding problem. Since the court order we have taken 1,500 additional inmates into our system.

Mr. EARLY. What are the costs involved?

Mr. CARLSON. Significant. I will provide that for the record.

[The following information was submitted:]

COSTS ASSOCIATED WITH D.C. PRISONERS

Most of the D.C. Code violators have been housed at the Federal Correctional Institution, Petersburg, Virginia. Based on actual per capita costs at Petersburg, it is costing approximately $56,000 per day to house D.C. Code offenders, an amount exceeding $5 million for the first quarter of this fiscal year.

REIMBURSEMENT FOR D.C. PRISONERS

Mr. CARLSON. D.C. does reimburse us, but the money goes to the Treasury. So, in essence, we don't benefit from the payment.

Mr. EARLY. Has that been included in the supplemental?

Mr. CARLSON. The supplemental was formulated prior to the influx of D.C. inmates in the Federal Prison System. That is why the supplemental was short, as we discussed earlier.

Mr. EARLY. That really doesn't cut it. That is not even a wash for you.

Mr. CARLSON. That is why we need the supplemental.

Mr. EARLY. What has this done to the overcrowded facilities already?

Mr. CARLSON. It has put more bodies in areas where we don't like to house inmates. We are double-bunking and using areas for housing that were not intended for that purpose.

Mr. EARLY. Who pays for the transport of these prisoners?

Mr. CARLSON. The Federal Government, specifically, the U.S. Marshals Service.

Mr. EARLY. Is this a short or long-term arrangement?

Mr. CARLSON. I hope it is a short-term problem. The D.C. Government can solve the problem by building another jail.

Mr. EARLY. What about security problems—if they are giving us everybody?

Mr. CARLSON. Everybody sentenced at District or Superior Court were coming into our system for that 4-1/2-month period when the Deputy Attorney General informed the Mayor he could no longer do it.

When the population of the jail exceeds capacity, we may have to get back into the situation again. I hope not, however.

DISTURBANCES AT FEDERAL PRISONS

Mr. EARLY. Were there any major uprisings in Federal facilities in 1985 or 1986?

Mr. CARLSON. We had a disturbance at the Atlanta Penitentiary in November 1984 when the Marielitos presented problems. There was no loss of life or serious staff injury, but they did do a great deal of damage.

Mr. EARLY. In your professional opinion, would additional correctional officers have prevented that?

Mr. CARLSON. I think additional correctional officers are needed at Atlanta. I would have to say that that is an understaffed institution.

INMATES AND AIDS

Mr. EARLY. Is AIDS a serious problem at your institutions?

Mr. CARLSON. We have had about 25 diagnosed cases of AIDS thus far, and about half of those have died as a result of the disease. We have not had major problems handling the situation. We follow the U.S. Public Health Service advice. I think the advice has been sound.

Mr. EARLY. Has the Bureau of Prisons been working with the Parole Commission to implement any reparative work programs?

Mr. CARLSON. The reparative work program has been a casualty of Gramm-Rudman-Hollings. We had to cut back on the program because it required us to reduce the number of inmates in the community treatment programs. The program was in operation for approximately a year.

Mr. EARLY. I have several other questions that we will supply for the record.

We appreciate your appearing here today. I must say, I have a lot of personal reservations about whether you can continue to do the job with the budget before us today; particularly in light of the $26 million sequestration and if you don't get more than the $10 million supplemental, which we have already determined is inadequate.

Mr. Dwyer, do you have further questions?

Mr. DWYER. No further questions.

Mr. CARLSON. We appreciate your support, Mr. Chairman.

Mr. EARLY. Thank you very much.

[The questions and the answers submitted for the record, follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

FEDERAL PRISON SYSTEM

National Institute of Corrections

Proposed Rescission

QUESTION:

The President is proposing a rescission of $3,315,000 in unobligated grant funds from prior years. Did you propose this rescission? What would these funds be used for, and what would be the impact on State and local governments if these funds were rescinded?

ANSWER:

No, National Institute of Corrections did not propose this rescission. The funds would be used to provide training programs, technical assistance and grants to State and local governments. The absence of the rescinded funds would reduce the number of services the Institute could offer State and local governments.

FY 1986 Appropriation Bill

QUESTION:

The conference report on the FY 1986 appropriations bill states that the conferees expect the training programs of the National Institute of Corrections to be maintained and funded at the level provided for in the FY 1986 budget request. Are you carrying out that mandate?

ANSWER:

The training programs of the Institute are being maintained and funded at the level provided for in the FY 1986 budget request as directed by the Conference Committee.

Reduction for State and Local Training Costs

QUESTION:

On page 7 of the justifications you are requesting a reduction of $2,154,000 for FY 1987. You state that this reflects the Institute's plans to encourage State and local governments to assume part of the costs of NIC-sponsored training, and other program reductions in an effort to reduce Federal spending. What costs do you expect State and local governments to assume and what specific program reductions do you have in mind?

ANSWER:

The costs the Institute expects State and local governments to assume are travel and per diem expenses associated with attendance at Institute sponsored training programs. The Institute will continue to provide the training program itself.

The remaining portion of the decrease involves a reduced number of program offerings, technical assistance events and general grant programs involving research and the formation of correctional policy.

QUESTION:

Do you have the authority in law to charge State and local governments for training costs?

ANSWER:

The National Institute of Corrections' enabling legislation, 18 U.S.C. Sections 4351-4353, is silent as to the authority of the Institute to charge State and local governments for training costs. The Institute does not propose to charge State and local governments for participation in training programs, however, participants are expected to travel to the location of the program at their expense and to provide for their lodging and meals.

QUESTION:

What will be the impact of this proposal on the training progarms for State and local correctional officers--do you think this will improve the skills of State and local correctional officers; will the proposal result in fewer State and local officers being trained?

ANSWER:

The national impact of this proposal on Institute sponsored training programs is unknown at this time. However, we anticipate there will be an impact. To minimize its effect, the Institute will relocate a substantial number of its training offerings from the Academy site at Boulder, Colorado, to various geographical locations throughout the United States. We anticipate this will reduce travel costs and participant time away from State and local jurisdictions.

Depending upon State and local response to a provision requiring them to pay travel and per diem expenses, the skills of correctional personnel could be affected by this proposal. The fewer officers trained, the greater the effect.

Additional training at various locations throughout the United States may minimize the impact so there would be no significant difference in the total number of correctional personnel trained each year.

QUESTION:

Will the proposal to charge State and local governments for this training impact more heavily on the smaller States and smaller communities?

ANSWER:

The Institute expects that travel and budget restrictions would be more determinative than size in ascertaining the impact of the proposal on State and local governments.

59-584 O—86——38

Collection and Dissemination of Information

QUESTION:

One of the Institute's roles is to collect and disseminate information on correctional policies and practices. Since there is a great interest these days in finding ways to reduce the high cost of constructing and operating prison systems, does the Institute serve as a clearing house for information concerning ways of reducing costs? If not, why not, and who does?

ANSWER:

The Institute does serve as a clearinghouse for information concerning ways of reducing the cost of constructing and operating prison systems. The Institute Information Center is located in Boulder, Colorado and is operated under contract by a private vendor. The Institute has been involved in examining prison construction costs and operating problems since 1974.

Federal Prison Industries

QUESTION:

What are the policies or criteria for determining how earnings in the Federal Prison Industries will be used?

ANSWER:

The Board of Directors of Federal Prison Industries determines priorities for disbursement of earnings in accord with current operational needs, future projections of inmate employment and training requirements, and client agency needs. Earnings of the Corporation are set aside by the Board for use in paying civilian staff and inmate employees' wages, support of headquarters operations, expanding factory operations and improving production capability in order to employ additional inmates. In addition, earnings are used to pay a nominal incentive wage to non-industrial inmate workers in institutional maintenance assignments, to fund certain educational and vocational training programs, and to support experimental training programs.

QUESTION:

How do you determine if such earnings should be pased on through price reductions to Federal Prison Industries' Federal agency customers?

ANSWER:

Federal Prison Industries' pricing policy is that all product lines and services will be provided to customer agencies at market prices. Lower pricing would undercut that portion of the private sector market retaining Federal agency business, and higher prices would be a deterrent to prison industries' sales. In those cases where Federal Prison Industries is unable to competitively price its products in accord with market comparability, the Federal agency is granted a waiver for open market purchase.

QUESTION:

How do you determine if such earnings should be returned to the Treasury to help achieve budgetary savings?

ANSWER:

Because of the expanding inmate population of the Federal Prison System, and the resulting need for improved or expanded plant capacity, the Corporation has not returned any funds to the Treasury since 1970. As the inmate population increases, the Corporation's additional employment capacity and training programs have been critical in reducing the adverse impact of serious overcrowding in most institutions. The building and renovation program resulting from Federal Prison Industries' expansion program has resulted in a commitment to funding $51 million in new projects, resulting in more than 3,300 new inmate jobs. Because these earnings are reinvested in projects that otherwise would be funded through the appropriation process, the net effect is a savings to the government, even though the monies involved are not returned directly to the Treasury.

MONDAY, MARCH 10, 1986.

UNITED STATES PAROLE COMMISSION

WITNESSES

BENJAMIN F. BAER, CHAIRMAN
ELIZABETH A. CLARK, EXECUTIVE OFFICER
W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. EARLY [presiding]. The next item we will consider today is the fiscal year 1987 budget request for the U.S. Parole Commission. This request is for $10,420,000, which represents an increase of $1,041,000 above the appropriation enacted for fiscal year 1986, adjusted for sequestration under Public Law 99-177.

We will insert at this point in the record the justification materials submitted in support of the fiscal year 1987 budget request.

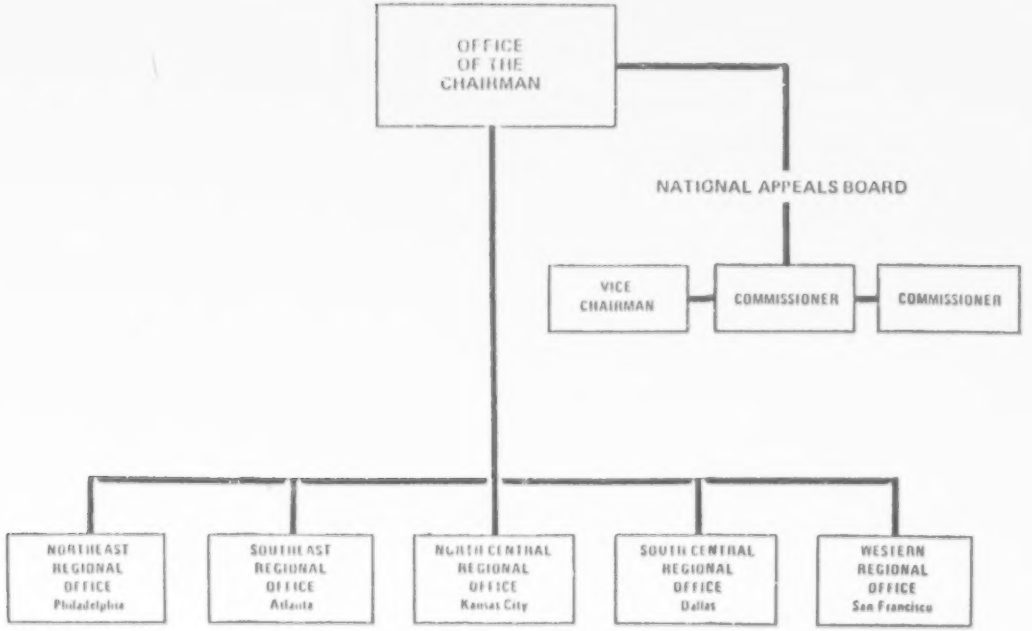
[The justification materials follow:]

Department of Justice
U.S. Parole Commission
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Program Changes to the Appropriation Language	3
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	4
Crosswalk of 1986 Changes	5
Summary of Requirements	6
Justification of Adjustments to Base	7
Detail of Permanent Positions by Category	11
Justification of Adjustments to Base	12
Summary of Requirements by Grade and Object Class	14

1188

U.S. PAROLE COMMISSION



Approved: B. F. Baer Date: 4-5-84

Benjamin F. Baer
Chairman

U.S. Parole Commission

Salaries and Expenses

Summary Statement

Fiscal Year 1987

The United States Parole Commission is requesting, for 1987, a total of $10,420,000, 175 permanent positions and 176 workyears. This represents an increase of $620,000 over the 1986 enacted appropriation of $9,800,000.

The United States Board of Parole was created by Congress in 1930. The Parole Commission and Reorganization Act of 1976 (Public Law 94-233, effective 5/14/76) retitled the agency as the United States Parole Commission. Placed within the Department of Justice for administrative purposes, the Commission is an agency with independent decisionmaking powers set forth by statute. The Commission has parole jurisdiction over all eligible Federal prisoners, wherever confined, and continuing jurisdiction over those who are released on parole or as if on parole (mandatory release).

National parole policy is reviewed by formal Commission deliberation at least quarterly. This continual study and review is designed to monitor and refine parole practices throughout the Federal system.

On a cooperative basis, the Commission uses the services of staff employed by the Federal Prison System, who are assigned to the correctional institutions throughout the nation. The staff prepares classification summaries, progress reports, and other reports concerning parole applicants.

Field supervision of released prisoners is provided by U.S. Probation Officers, who are employed by the U.S. Probation Service in the Administrative Office of the U.S. Courts. According to statute, they function as "parole officers" for Federal prisoners. Reports concerning the adjustment of parolees and mandatory releasees are prepared by these officers and submitted to the Commission.

As part of the Comprehensive Crime Control Act of 1984 (Public Law 98-473), the United States Sentencing Commission was established to develop and issue comprehensive guidelines for federal cases. As a result of this, the current federal parole system is scheduled to be phased out. Because the Sentencing Commission was not appointed until October 1985, an extension for when the sentencing guidelines will go into effect has been enacted. The guidelines are now scheduled not to go into effect before November 1987 (rather than 1986). The Parole Commission anticipates its workload will not begin to diminish until late 1988. Abolishment of the Commission will not occur until the fall of 1992.

U.S. Parole Commission

Salaries and expenses

Justification of Proposed Language Changes

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the United States Parole Commission, as authorized by law; [$9,800,000] $10,420,000

Explanation of changes:

No substantive changes proposed.

U.S. Parole Commission

Salaries and expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as enacted			Funds Sequestered				
										4.3%	Reprogrammings			Rev.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Pos.	WY	Amt.	Amt.
1. Parole.....	169	170	$9,609	6	6	$191	175	176	$9,800	-$421	...	...	...	$9,379

U.S. Parole Commission

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity	1986 President's Budget Request			Congressional Appropriations Actions on 1986 Request			Reprogrammings			1986 Appropriation Enacted		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Parole.....	169	170	$9,609	6	6	$191	...	...	...	175	176	$9,800

Congressional Appropriation Actions

Congress added 6 positions, 6 workyears and $262,000 in 1986 to enable the Commission to handle the increased workload associated with the prison population. This increase was offset by a $39,000 cut from the Pay restoration request for $194,000 and a $36,000 rounding adjustment.

U.S. Parole Commission

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1986 as enacted	175	176	$9,800
Uncontrollable increases:			
Within-grade increases	...	...	62
Restoration of 1986 Congressional reduction	...	...	75
Health benefits costs	...	...	2
GSA Rent	...	...	452
GSA recurring reimbursable services	...	...	3
GPO printing costs	...	...	2
Departmental printing and reproduction costs	...	...	4
Postal services increases	...	...	12
General pricing level adjustment	...	...	37
Total, decreases	...	...	649
Decreases (automatic non-policy):			
Federal Telecommunications Service rate decrease	...	...	-11
Nonrecurring costs for equipment for six new positions authorized in 1986	...	...	-18
Total, decreases	...	...	-29
1987 Base	175	176	10,420

Estimate by budget activity	1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Parole	175	176	$8,824	175	176	$9,800	175	176	$10,420	175	176	$10,420	...	...	...

U.S. Parole Commission

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity:	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Parole.....	175	176	$9,800	175	176	$10,420	175	176	$10,420	...	...	...

Long Range Goal: To make decisions relative to grants and denials of parole, conditions of parole, supervision of parolees and mandatory releasees, recommittal in event of violation of conditions of supervision, and termination of supervision as outlined in the Parole Commission and Reorganization Act of 1976.

Major Objectives:

- o To establish, with the aid of statistical data, a national paroling policy and promote the consistent exercise of discretion in the paroling process, including the development and application of specific guidelines for decisionmaking so that the duration of terms of imprisonment throughout the Federal system will be equitable for those prisoners over whom the Commission has jurisdiction.

- o To make fair decisions regarding the grant or denial of parole which are fair to the prisoners and which adequately protect the public welfare, within specific time requirements for decisions established by law.

- o To provide forceful supervision for released parolees and mandatory releasees to enhance community protection and the rehabilitation of such released offenders.

- o To promptly modify or revoke the parole or mandatory release of any individual who violates the conditions of release.

Base Program Description:

The Parole Commission and Reorganization Act provides for nine Commissioners, appointed by the President with the advice and consent of the Senate. One Commissioner is designated as Chairman. Each of the five Regional Offices of the Commission is under the supervision of a Commissioner, and three Commissioners comprise a National Appeals Board in Chevy Chase, Maryland. Hearing examiners working out of the regional offices, interview prisoners eligible for parole and make recommendations to the Commissioners. These hearings are conducted by examiner panels at all Federal prisons on a bi-monthly schedule. Examiners also conduct revocation hearings at state and local facilities, as required. Summaries of the hearings are recorded and then transcribed and sent to the Regional Office for the initial review and decision of a Commissioner.

An appeal system is in effect to permit review of parole decisions. Decisions on appeal at the National Appeals Board must be completed within 60 days.

Professional level personnel in the area offices coordinate the work with the Federal Prison System institutions and the probation officers attached to each United States District Court.

An ongoing research program is conducted in areas related to parole and information and guidance is provided to state parole boards, criminal justice agencies, and others interested in improving the criminal justice process.

Research projects include:

1. Development of methods for increasing hearing panel reliability in guideline assessments.

2. Refinement of the offense severity and salient factor score scales used by the Commission.

3. Further assessment of the effects of the expanded presumptive parole date procedures.

4. Development and implementation of a parole Decision Recording and Monitoring System for automated data processing of offender information and office automation.

5. Implementation of a system to enable hearing examiners to make more effective pre-hearing reviews of inmate files.

The General Counsel's office advises the Commissioners and staff on interpretation of the agency's enabling statutes and policy, drafts implementing rules and regulations, and assists U. S. Attorneys offices in defending the Commission against lawsuits brought by prisoners and parolees. The office is also a resource for staff on problems involving the processing of requests for information under the Privacy Act of 1974, as amended in 1975. The Counsel's office responds directly to requests submitted under the Freedom of

1196

Information Act. Finally, the General Counsel staff has responsibility for analyzing applications for exemption from prohibitions imposed by Federal law against persons who have been convicted of certain crimes from occupying labor union, management, or pension fund positions, and ensuring that the hearings under the Administrative Procedures Act are properly conducted.

The Commission's legal staff also participates with the State Department and other units of the Department of Justice on various phases of the development of treaties and implementing legislation for the exchange of prisoners with other countries.

The Commission's Case Operations Section gives functional supervision to regional hearing examiners and analysts. It provides quality control of case decisions, coordinates the training program, and develops procedures to implement Commission policy including a comprehensive manual. In addition to these functions, this section has assumed the responsibility of coordinating the Witness Security Program.

Accomplishments:

1. A total 20,826 individual decisions regarding the grant, denial, or revocation of parole, as required by statute, were made during 1985.

2. A total 6,130 appeal considerations (regional and national level) were made during 1985 as required by statute.

3. Supervision was provided to 25,572 parolees, special parolees and mandatory releasees from July 1, 1984 to June 30, 1985.

4. Development of methods for increasing hearing panel reliability in guideline assessments.

5. Refinement of the offense severity and salient factor score scales used by the Commission.

6. Designing and implementing a parole Decision Recording and Monitoring System which is intended to automate many manual, paper-oriented processes and to provide current parole statistics of codefendants.

7. Implementation of a system to enable hearing examiners to make more effective pre-hearing reviews of inmate files.

The workload of the Parole Commission is presented in the following table.

1197

WORKLOAD & PERFORMANCE SUMMARY
U.S. Parole Commission
Salaries and expenses
Parole

	Actuals		Estimate	
	1984	1985	1986	1987
1. Hearings:				
a. Initial	10,010	10,250	10,495	10,747
*b. Record Review	17,526	17,326	17,173	17,068
c. Rescission	780	732	687	645
d. Local Revocation	352	296	249	209
**e. Institutional Revocation	2,256	2,268	2,282	2,298
f. Other	330	252	192	146
g. Statutory Review	2,137	2,516	2,962	3,487
Total	33,391	33,640	34,040	34,600
2. Appeal Decisions:				
a. Regional	4,407	1,275	...	...
b. National	3,165	4,407	4,407	4,407
c. Administrative reviews	235	234	235	235
d. OJ decisions and appeals	221	214	207	200
Total	8,028	6,130	4,849	4,842

*Includes Pre-hearing Reviews for Initial and Revocation Hearings and Pre-release Reviews.

**Includes Dispositional Revocation Hearings.

General Statement

Mr. Early. We are pleased to welcome back to the Committee the Chairman of the U.S. Parole Commission, Benjamin Baer.

Mr. Baer. Mr. Chairman, I am pleased to appear before you today in support of the 1987 budget request for the U.S. Parole Commission.

The 1987 budget request is for $10,420,000 and 175 permanent positions. This represents an increase of $620,000 above the 1986 appropriation enacted, but no increase in positions. Net uncontrollable increases account for the total amount of this increase.

The Commission's workload for 1987 is expected to increase slightly above the 1986 projections. The Commission anticipates that through increased productivity and efficient management of its resources, the higher workload caused by the increase in prison population and transfer of D.C. prisoners to Federal institutions can be achieved while retaining the high quality of paroling decisions.

This concludes my statement, Mr. Chairman. I shall be pleased to answer any questions you or members of the subcommittee have.

Gramm-Rudman-Hollings Budget Reductions

Mr. Early. Mr. Baer, you are going to have to absorb a $421,000 sequestration, which doesn't seem to be much. But for small commission like yours, it could be a hardship. This Committee took it upon ourselves and added a few positions to your budget last year. We held onto those positions in conference. Did they help you during the course of the year?

Mr. Baer. Yes, sir. It was a small increase, but with the size of our budget, every bit helps.

Mr. Early. Are you satisfied, Mr. Baer, that we are letting out enough people? Are we letting them out fast enough? It seems that we are taking them in twice as fast.

Mr. Baer. When I listened to Mr. Carlson's testimony—and I know something about the overcrowding problem—it is easy to say we should let out more. When you look at offenders case by case, it becomes a little more difficult, especially since, as you know, we have guidelines. Congress dictated that we should establish guidelines, and we follow those guidelines. We deviate from them 10 percent above the guidelines, and 5 percent below.

Mr. Early. We also have budgets that say this is what you have to run your agency with. Now we have sequestered some of that. We are going to take $421,000, and I think this will be difficult for the Parole Commission. But I think somehow you have to work something out with the experts regarding early parole, and I realize you will get nothing but criticism for it. You and Mr. Carlson have to work on some program that will let the ones in the halfway houses out sooner to free up more beds.

Mr. Baer. As you questioned Mr. Carlson, he made reference to a project that we jointly have developed very, very recently; in fact, the instructions from his staff are going out to the institutions today.

It also, however, involves the Probation Service. As you know, the U.S. Probation Officer becomes our parole agent for those pris-

oners we parole or who are released by mandatory release and who are under supervision. That is a problem that I am concerned about. But it isn't before your committee, because it is not in my budget.

Mr. EARLY. Won't you almost have to do that to be able to absorb the $421,000?

RELEASE OF PRISONERS TO PROBATION SERVICE

Mr. BAER. Yes, sir. We agreed to help the Bureau with that problem by reducing people who already had release dates, by releasing them out of the halfway houses 60 days early with a little more intense supervision, and that is where the Probation Service comes in.

Mr. EARLY. The 3,300 people—inmates, that Mr. Carlson spoke of that are in halfway houses will be released after 60 days——

Mr. BAER. The way it works, sir, I think he said there are 3,300 in those halfway houses today. However, some will go out tomorrow, some next week. So, all of them won't be affected this minute.

Mr. EARLY. But, anyone that has been there more than 60 days probably will be released. I commend you for that, Mr. Baer. I think that is a bold decision. I realized there is potential for nothing but trouble with this idea. But I think it is a responsible one, because of the overcrowding and circumstances.

Mr. BAER. I agree that it was a responsible decision, and we feel we won't adversely affect the protection of the community.

REPROGRAMMING

Mr. EARLY. Do you expect to submit a reprogramming to the committee in order to accommodate the reduction?

Mr. BAER. We have only one decision unit, therefore we don't have to formally submit a reprogramming request. But we have reallocated some funds within the budget.

1986 SUPPLEMENTAL APPROPRIATIONS

Mr. EARLY. In the fiscal year 1985 Supplemental Appropriations Act, this committee provided the Commission with six additional positions and resources for additional contract support above the budget request. These positions and support were annualized in the 1986 Appropriation Act. Have all of these positions been filled; and if so, how have they been allocated within the Commission?

Mr. BAER. We either filled the positions or allocated them immediately. However, because of Gramm-Rudman we had to keep some positions open, but we filled those positions with one exception, a support position. But today we have 10 vacancies. That doesn't sound like a lot, except we only have 175.

Mr. EARLY. That is about a 6 percent vacancy rate.

Mr. BAER. We have to be sure that we have the savings, that 4.3 percent, and we are doing the best that we can.

Mr. EARLY. Have the additional resources we provided helped you?

Mr. BAER. Yes, sir, they have.

[Subsequent to the hearing the following information was provided:]

CLARIFICATION OF EMPLOYMENT DATA

At the time of the hearing the Parole Commission had 175 authorized permanent positions. Of these positions 151 were filled by full-time permanent employees. In addition, the Commission had 12 temporary and part-time employees, the same number as budgeted. Therefore, the lapse rate for permanent positions was about 14 percent, the total lapse rate was about 7 percent.

WORKLOAD STATISTICS

Mr. EARLY. On page 10 of the justification, you list various statistics concerning the workload of the Commission. Most of the items under the "Hearings" category show increases in your workload for fiscal year 1987. How are you going to handle these increases in workload without any increases in resources?

Mr. BAER. First of all, since you referred to the figures, Mr. Chairman, our 1985 figures for initial hearings—and that is the bulk of our workload—increased approximately 5 percent over 1984, and the total number of decisions that we had to make was a similar increase.

The one thing that we have looked at and have made some savings on, is parole on the record without a hearing. Now, we have increased that from about 21 percent to about 51 percent. That is a significant number. It rounds out to a saving of a couple of positions, and we are looking at that further to see whether we can increase that.

In other words, if a prisoner has a minimum eligible parole date, a service of 20 months, and we know that it is not likely, from reviewing the documents that we are going to keep him longer than that, we can give him a parole date on the record without a hearing.

Mr. EARLY. As Chairman of the Parole Commission, do you see that some of your commissioners are willing to do that, whereas others won't? How many commissioners do you have?

Mr. BAER. Nine; five in charge of each of the regions, and four in the National Appeals Board in Chevy Chase. The hearings are conducted by hearing examiners so their recommendations go back to the regional commissioner. Our commissioners follow Commission policy.

Mr. EARLY. I really think you should be doing just that. You will get nothing but trouble, I suppose. But responsibility calls for you to do that?

Mr. BAER. Yes.

APPEAL BACKLOG

Mr. EARLY. In the category entitled "Appeal Decisions"—what is your present backlog; and what is your anticipated backlog for 1987?

Mr. BAER. Backlog, sir?

Mr. EARLY. Do you have a backlog, for example, do you have prisoners that were scheduled for hearings that you had to delay because you were behind?

Mr. BAER. The way our system works, if an inmate applies for parole, we give him a hearing within 120 days after he arrives, even though he may not be eligible for parole until two or three years down the road. So far, we have been keeping with that schedule.

It means that the hearings are a little shorter, and I don't like that.

Mr. EARLY. On that first hearing when they are first incarcerated, have you granted any reduced sentences or have you released anyone?

Mr. BAER. If the sentence is short and—we have to consider our guidelines.

Mr. EARLY. Why have the hearings, if you are not going to make some adjustments?

Mr. BAER. I am not sure what you mean by adjustments but I think what you are saying is that we probably ought to release more people sooner.

ENTITLEMENT TO PAROLE HEARING

Mr. EARLY. You are saying everyone that gets incarcerated is entitled to a hearing within 120 days?

Mr. BAER. Except if he has a sentence of 30 years or longer.

Mr. EARLY. Would you provide for the record how many in 1985 and 1984, have had their sentences reduced or changed in that initial hearing, and how many hearings you have had?

Mr. BAER. Yes, sir.

[The following information was submitted:]

SENTENCE REDUCTION

The Parole Commission does not have authority to reduce or modify the judicial sentence. The Commission has authority to determine hw much time is spent in prison and how much is spent on parole supervision within the parameters of the sentence imposed. In FY 1985, approximately 60% of the prisoners considered were released by parole; approximately 40% were denied parole and released upon expiration of their sentence less good time.

APPEAL DECISIONS

Mr. EARLY. In the category entitled "Appeal Decisions," you are showing no increase in the workload for fiscal year 1987. Why are you projecting no increase in the workload in this category when, at the same time, you are projecting an increased workload in the hearings category?

Mr. BAER. We are projecting the 1986 and 1987 appeals approximately what they were in 1985. If you will notice, comparing 1985 and 1984, there was a significant increase, and that was because in the Fall of 1984 when Congress passed the Crime Control Act, Congress said that in our procedures there was no longer a regional appeal, so there was just one appeal bypassing the regional commissioner, which made sense because the regional commissioner just got through making a decision. So there was one appeal to the National Appeals Board.

So, with the absence of the regional appeal there is an increase in the national appeal. Those figures seem to be holding steady.

Mr. EARLY. I yield to Mr. Dwyer.

U.S. Parole Commission

Salaries and expenses

Detail of Permanant Positions by Category
Fiscal Years 1985-1987

Category	1985 Authorized	1986 Authorized	1987 Total
Attorneys (905)	9	9	9
Other Legal and Kindred (900-998)	5	5	5
Social Scientists, Economist and Kindred (101-199)	80	80	80
General Administration Clerical and Office Services (300-399)	80	80	80
Accounting and Budget (500-599)	1	1	1
Total	175	175	175
Washington	47	47	47
U.S. Field	128	128	128
Total	175	175	175

U.S. Parole Commission

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

Uncontrollable Increases:	Perm. Pos.	Work-years	Amount
1. Within-grade increases..... This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $56,000 and benefits $6,000 = $62,000).	...	...	$62
2. Restoration of 1986 Congressional reduction for pay..... Restoration of $39,000 for the pay cut and a $36,000 rounding adjustment in 1986.	...	...	75
3. Health benefits costs..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 1 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $2,000 provides funds for increased costs from pay period No. 2 ($5,216) to pay period No. 3 ($5,285) projected for 26 pay periods.	...	...	2
4. GSA Rent..... Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $452,000 is required to meet our commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.	...	...	452
5. GSA recurring reimbursable services..... Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $3,000 over 1986 charges of $67,000.	...	...	3
			12

	Perm. Pos.	Work-years	Amount
6. GPO printing cost..... The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $35,000. An additional $2,000 will be required in 1987.	...	...	$2
7. Departmental printing and reproduction costs..... The Department is currently projecting a 5 percent increase over the 1986 printing cost of $80,000. An additional $4,000 will be required in 1987.	...	...	4
8. Postal service increases..... In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $12,000 provides for a 10 percent increase over the 1985 budgeted base of $120,000.	...	...	12
9. General pricing level adjustment..... This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	...	...	37
Total uncontrollable increases.....	...	...	649
Decreases (automatic non-policy):			
1. Federal Telecommunications Systems (FTS)..... The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $11,000 will be subtracted from the 1986 base of $113,000.	...	...	-11
2. Nonrecurring costs for equipment for six new positions authorized in 1986.....	...	...	-18
Total decreases.....	...	...	-29
Total, adjustments to base.....	...	...	620

U.S. Parole Commission
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate		1987 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
GS-18, $68,700	9	...	9	...	...	...
GS/GM-15, $52,262-67,940	10	...	10	...	...	...
GS/GM-14, $44,430-57,759	43	...	43	...	...	...
GS/GM-13, $37,599-48,876	3	...	3	...	...	...
GS-12, $31,619-41,105	9	...	9	...	...	...
GS-11, $26,381-34,292	8	...	8	...	...	...
GS-10, $24,011-31,211	1	...	1	...	...	...
GS-9, $21,804-28,347	12	...	12	...	...	...
GS-7, $17,824-23,170	19	...	19	...	...	...
GS-6, $16,040-20,855	29	...	29	...	...	...
GS-5, $14,390-18,710	12	...	12	...	...	...
GS-4, $12,862-16,723	18	...	18	...	...	...
GS-3, $11,458-14,896	2	...	2	...	...	...
Total, appropriated positions	175	$5,409	175	$5,550	...	$141
Pay above stated annual rates	...	23	..	24	...	1
Lapses	-11	-363	-11	-408	...	-45
Net permanent	164	5,069	164	5,166	...	97
Average GS/GM salary	...	$30,799	...	$31,390	...	...
Average GS/GM grade	...	9.78	...	9.78	...	...

U.S. Parole Commission
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class:	1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	164	$5,069	164	$5,166	...	$ 97
11.3 Other than permanant:						
Part-time permanent	9	630	9	630	...	...
Temporary employment	3	20	3	20	...	
11.5 Other personnel compensation:						
Overtime	...	40	...	40	...	...
11.8 Special personnel services payments	...	18	...	18	...	...
Total, workyears and personnel compensation	176	5,777	176	5,874	...	97
12 Personnel benefits	...	692	...	726	...	34
13 Benefits for former personnel	...	4	...	4	...	...
21 Travel and transportation of persons	...	670	...	704	...	34
22 Transportation of things	...	70	...	76	...	6
23.1 GSA rent	...	918	...	1,388	...	470
23.3 Communications, utilities and miscellaneous charges	...	572	...	676	...	104
24 Printing and reproduction	...	111	...	93	...	-18
25 Other services	...	726	...	660	...	-66
26 Supplies and materials	...	149	...	123	...	-26
31 Equipment	...	111	...	96	...	-15
Total obligations	176	9,800	176	10,420	...	620
Relation of obligations to outlays:						
Obligated balance, start-of-year	...	1,177	...	1,635	...	...
Obligated balance, end-of-year	...	-1,635	...	-2,156	...	...
Outlays	...	9,342	...	9,899	...	...

Mr. DWYER. No questions, Mr. Chairman.

CRIME CONTROL ACT OF 1984

Mr. EARLY. The Crime Control Act of 1984 eliminates parole consideration for offenders sentenced after new sentencing guidelines go into effect, which is currently scheduled for November 1, 1987?

Mr. BAER. Yes, sir. The original was scheduled for November 1986 and the Congress granted a one-year extension.

Mr. EARLY. We have already extended it for one year. I, for one, don't think that is going to work. I hope you and your Commission don't adjust or change anything that you are doing now in anticipation of the establishment of those guidelines.

When are you people scheduled to be finally phased out.

Mr. BAER. The law states that five years after the date that the sentencing commission guidelines take effect, we are to be phased out. So if the guidelines go into effect in November 1987, then we would be phased out in November 1992.

Mr. EARLY. 1992?

Mr. BAER. Yes, sir.

Mr. EARLY. So, you are not looking to reduce your staff in the latter part of 1987?

Mr. BAER. No, sir.

We estimate our workload with initial hearings will not decrease for at least a year after the guidelines go into effect, because any offense that occurred prior to that date under our law and ex post facto issues have to be considered under current procedures, and it takes time to arrest some of these people and try and convict them.

1987 OMB REQUEST

Mr. EARLY. What was your original request to OMB for 1987?

Mr. BAER. In 1987, we requested——

Mr. EARLY. Was there any additional personnel requested.

Mr. BAER. We requested eight additional positions, yes sir. We explained that our workload would not be decreasing because we anticipated that the Sentencing Commission would ask for an extension of time. The population and the workload was growing.

Mr. EARLY. You don't have any problem justifying your budget to me.

What was your dollar request to OMB for 1987?

Mr. BAER. That was $10,980,000.

Mr. EARLY. I want you to provide for the record what accounts the Commission is cutting back in an effort to absorb the $421,000 in sequestration.

[The information follows:]

GRAMM-RUDMAN-HOLLINGS REDUCTIONS

For the Parole Commission to meet the requirements of the Gramm-Rudman-Hollings sequestrations, the Commission is realizing savings in the following areas: payroll, benefits, travel, training, supplies and equipment.

VACANCIES

Mr. EARLY. How many vacancies are currently at the Commission?

Mr. BAER. Right now, 10. Part of these are through the recruitment. One of those 10 happens to be the commissioner in our Western Region, so that is a presidential appointment. The others, I have control over. And so we are keeping several of them open in order to make our salary savings, because we don't want to furlough anyone.

Mr. EARLY. Mr. Wallace, what is the status of that vacancy on the Commission that Chairman Baer just mentioned?

Mr. WALLACE. I am not familiar with that.

Mr. BAER. I am involved in the process. The people involved in making the recommendation to the President confer with me on that.

Mr. EARLY. We don't need more subcommittees and search committees. It is ludicrous how we delay everything with all these committees when we have got to come to some conclusions. That position left vacant isn't saving us any money at all. It is costing us a lot.

Mr. BAER. I understand, sir.

Mr. EARLY. Could you tell the committee how close they are to making a recommendation?

Mr. BAER. I think there will be a decision made fairly soon, Mr. Chairman.

Mr. EARLY. Will you supply for the record how these long-term vacancies impact on the Commission's workload and responsibilities?

[The following information was submitted:]

IMPACT OF LONG-TERM VACANCIES

If the Commission is forced to hold vacancies open for an extended period of time there can be no question but that delays in the processing of hearings, parole decisions, and appeals will occur and the Commission will not be able to meet the deadlines mandated legislatively for it by Congress for making paroling decisions. The energy level, efficiency and morale of Commission staff would become strained and could result in a reduction of recently gained productivity and quality improvements the Commission has achieved.

REIMBURSABLE AGREEMENTS

Mr. EARLY. Do you currently have any employees on detail from the Bureau of Prisons in the effort to reduce your workload?

Mr. BAER. We have an arrangement that we call a reimbursable agreement where we agree to take an employee from the Bureau of Prisons. They work for us one year. We pay the salary. They absorb the workyear.

Mr. EARLY. It seems they have an awful lot of auditors available.

Mr. BAER. We don't need any auditors, sir.

Mr. EARLY. Where do those three live?

Mr. BAER. One is working in our Northeast regional office in Philadelphia, one in the Southeast, Atlanta, and one in the Western Region, San Francisco area.

Mr. EARLY. Are they housed at the prison?

Mr. BAER. No. They transferred to us. They live in the area where our regional office is. Each one of them came from a Bureau of Prisons institution. But they are transferred to our regional office.

D.C. COMMITMENTS

Mr. EARLY. How has the overcrowding at the Lorton facility in the past few months impacted on the Commission's workload and responsibilities?

Mr. BAER. As Mr. Carlson reported to you, there was a 4½ month period when all D.C. commitments went to a Bureau of Prisons institution rather than Lorton or D.C. Jail. Any time a D.C. prisoner ends up in a Bureau of Prisons institution the U.S. Parole Commission conducts the parole hearing. We estimate that between 600 and 700 of those prisoners will require a hearing by the commission. That amounts to slightly more than one hearing examiner. They conduct about 500 hearings a year, so that workload increases our burden.

Mr. EARLY. It certainly does.

Is the Commission responsible for transferring any of these prisoners?

Mr. BAER. No. The Bureau of Prisons does the transferring. We will conduct the hearing wherever they end up.

GSA RENT INCREASE

Mr. EARLY. Your justifications indicate a $470,000 increase in SLUC. Roughly what percentage increase is this over last year's SLUC?

Mr. BAER. Approximately 50 percent. We don't have control over the increases as GSA sets the rents.

REPARATIVE WORK PROGRAM

Mr. EARLY. You have already mentioned the Reparative Work Program. You said that report went out today?

Mr. BAER. Well, that was again a joint project with the Bureau of Prisons, and they had to put it on hold because of what Gramm-Rudman did to them and their need to cut back in the halfway houses. It was a pilot project, so it was limited to prisoners being released in four or five districts in the U.S.

All the prisoners were in the halfway houses while preparing to perform the community service. We feel it was a successful program. There weren't even the problems I anticipated. It was received very well by the agencies who received the benefit. There weren't problems there.

In fact, out of the first 47 cases that went through, 7 of those inmates, some men and some women, were hired by those agencies after they were put on parole.

Mr. EARLY. Would you elaborate for the record on when that program will be fully implemented, in the 5 regions?

Mr. BAER. Would you like a written report, sir?

Mr. EARLY. I know how overworked you are. I don't want to exacerbate that. But I would appreciate it if you would supply that information for the record.

Mr. BAER. Yes, sir.

[The information follows:]

STATUS REPORT ON THE REPARATIVE WORK PROJECT

Benjamin F. Baer
Chairman
U.S. Parole Commission
February, 1986

The U.S. Parole Commission has implemented an experimental reparative work program with the assistance of the National Office for Social Responsibility as an alternative form of punishment for selected federal prisoners. This project involves the joint efforts of the U.S. Bureau of Prisons and the U.S. Parole Commission and was funded by the National Institute of Justice.

The goal of this program is to develop an alternative sanction that punishes the offender but also allows him to repay in some small way the harm he has done to society. In this pilot study, carefully screened offenders returning to selected cities have their parole dates advanced by two months if they volunteer to complete 400 hours of reparative work. For example, a bank robber serving 48 months could be released after 46 months after completing 400 hours of reparative work. Before release, the selected offenders perform work without pay which provides a meaningful, realistic and needed service to the community. Over two hundred reparative work positions have now been developed with such agencies as the Volunteers of America, the American Red Cross, the Salvation Army, Goodwill Industries, Jewish Community Centers, Catholic Charities of Dallas, Lutheran Social Services of Southern California, Florida Association of Workers for the Blind, and the YMCA. Jobs include loading and unloading trucks, building

maintenance, answering telephones, sorting donations, computer programmer, Red Cross safety instructor, park service aide,orderly, and providing services to the elderly. Offenders complete the work while residing in a residential treatment center/halfway house during the last months before release and still under the custody of the Bureau of Prisons. All offenders are closely supervised and monitored to insure that their job performance is satisfactory and that they do not pose a threat to the community. They are required to remain in the halfway house when not working except for two four hour passes per week for recreational and religous purposes and are more restricted than the usual halfway house resident.

As of the beginning of February, 110 offenders have been referred by the Bureau of Prisons and 89 have been accepted into the program. Most of those not yet accepted are in the process of being placed in a reparative work assignment and will be reviewed for possible acceptance by the Commission in the near future. A total of 64 inmates have completed the reparative work program and have worked for 34 different agencies. As the result of this effort, the following has been accomplished:

- o 25,022 hours of unpaid reparative work has been completed.
- o The participating agencies report that it would cost over $98,000 to hire someone to perform the same work.
- o Release dates have been advanced a total of 3,566 days which represents at least a small saving in prison bed space.

It appears that the program has shown the feasibility of the Reparative Work Project as an alternative form of punishment which returns something of value to society. It also gives the offender a chance to develop a work history and references for future employment. The participating agencies are enthusiastic about the project and all have expressed a willingness to accept future volunteers. It is noteworthy that nine offenders have been offered paid positions with the agencies after completion of the project and one offender continued volunteer work at the agency on her own time.

This project will continue on an experimental basis for one more year. In the mean time, the project will be reviewed with the Bureau of Prisons to determine if the results justify expanding the project nationwide and continuing it beyond the experimental phase. The project will also serve as an example for state correctional agencies, many of which have serious overcrowding problems.

DEVELOPING EMPLOYMENT SITES

Mr. EARLY. I realize that it is a tough decision to make. I think the Commission, over the years, has been conservative; and to protect your own fannies, so to speak.

I recall a few years back when Mr. Giuliani was the Associate Attorney General—I think he sat down with the Parole Commission and the Bureau of Prisons. There were some bold initiatives that we studied then; but that we never did.

Mr. BAER. The NIJ, National Institute of Justice, made a grant to a private agency which worked with us in developing the work and employment sites. But, as I say, the reparative work is done while the prisoner is in the halfway house, because they perform 400 hours of free work and we reduce his stay by 60 days.

Mr. EARLY. If this program works, would we need to pass legislation to reflect this change, or could you do it by implementing a rule to increase the time when someone was eligible for a work release from six to eight months?

Mr. BAER. I don't see the need for further legislation. That program and the one that Mr. Carlson referred to that the U.S. Parole Commission, Bureau of Prisons and U.S. Probation Service are about to implement, and we did this very, very fast. We can't release a prisoner before he reaches his eligibility date.

Mr. EARLY. Is that the six months?

Mr. BAER. No, that is generally one-third of his sentence. If he gets a 10-year sentence, that comes to 40 months. So, even though our guidelines call for an earlier release, we can't release them before the eligibility date.

Mr. EARLY. Supply for the record what percentage of inmates get out at the bare minimum or one-third of their eligibility.

[The information follows:]

INMATE RELEASE

For fiscal years 1983-1985 approximately 20% or 4,726 inmates were released at one-third of their time.

RELEASE ELIGIBILITY

Mr. EARLY. Let's say that all the 3,300 inmates at the Community Treatment Centers had completed nearly 60 days and were let out early. Would we have a staggered system to fill the CTC's with eligible prisoners that are currently in the prison facilities? Would you have to extend your eligibility from six months to eight months, for example, in the effort to get them out of the facilities?

Mr. BAER. There are a number of ramifications. First, some of those inmates are going out under what we call mandatory release. We made a decision not to parole them, usually because the sentence was shorter than what our guidelines call for.

My fellow commissioners did not want to consider further reducing the time served on those cases.

Mr. EARLY. Would you supply for the record, Chairman Baer, what the Commission plans to do to help implement and expedite this program.

[The following information was submitted:]

COMMUNITY TREATMENT CENTERS

The U.S. Parole Commission is implementing an experimental program to provide a substitute for Community Treatment Center residence for the 60 day period preceding the otherwise scheduled parole release date. This program, a joint effort of the U.S. Bureau of Prisons, the U.S. Probation Service of the Administrative Office of U.S. Courts and the Parole Commission, is designed for prisoners who would otherwise qualify for Community Treatment Center residence but who have acceptable release plans and who do not require the support services provided by the Community Treatment Center. Pursuant to this program, a qualified and approved prisoner will have his parole release date advanced for up to 60 days on the condition that he remain at this place of residence during a specified period of time each night. This special Curfew Parole Program will provide a significant resource saving to the Bureau of Prisons currently necessitated by budgetary constraints and deficit reduction legislation.

The Parole Commission is implementing this program as a cost reduction procedure through which Bureau of Prisons is provided the opportunity to reduce the number and expense of inmates confined in Community Treatment Centers. The special Curfew Parole Program will provide considerable savings to the Bureau without reducing the control and supervision over these prisoners. Combining the screening process for identifying participants with the high activity supervision to be provided to those accepted will result in no diminishment to the protection of the public. Currently, prisoners residing in Community Treatment Centers, who do not require the support services provided, leave the facilities each morning and do not have to return until, in some instances, as late as 11:00 p.m. Further, residents may be eligible for unsupervised weekend passes. Thus, those accepted into the Special Curfew Parole Program will be receiving at least as much scrutiny as they would if they resided in the Community Treatment Centers.

The Commission plans to continue to work together with the Bureau of Prisons and the U.S. Probation Service to find ways of meeting the budgetary constraints necessitated by the deficit reduction legislation.

Mr. EARLY. I want to thank you for your performance over the year. I don't know if there are any agencies that are more efficiently run than yours, and the one preceding you.

Mr. BAER. I appreciate the support you have given us since I have been here, Mr. Chairman.

Mr. EARLY. We have a few more questions which we shall submit to you and you can supply the answers for the record.

[The questions and the answers submitted thereto, follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

U.S. PAROLE COMMISSION

Research Budget

QUESTION:

What portion of the Commission's FY 1987 budget request is for its ongoing research program, which is listed on page 8 of the justifications?

ANSWER:

Approximately $205,000 (2.19 percent of the Commission's budget request) is expended for research such as described on page 8 of the justification.

QUESTION:

Could you explain to us why such a research program is needed?

ANSWER:

These research efforts are necessary for the monitoring and quality control of case decisions under the Commission's system of decision guidelines (e.g., the development of methods for increasing hearing panel realiability in guideline assessment, and the refinement of guideline determinants - offense severity and salient factor score); for the provision of statistical data for management and budgetary purposes; and for the development of more cost effective methods of operation (e.g., use of automated methods for certain clerical functions, provision of timely codefendant data, and the implementation of effective prehearing review procedures).

Regional Appeals

QUESTION:

A 1982 GAO report recommended that the Parole Commission seek a legislative change to relieve it of a cumbersome two-stage appeal process. The first stage (regional appeal) was eliminated by the Crime Control Act of 1984. What amounts have been saved by the elimination of regional appeals?

ANSWER:

Pursuant to Section 1408(c) of the Comprehensive Crime Control Act of 1984, the Parole Commission published a final rule eliminating regional appeals of Commission decisions dated November 11, 1984 and thereafter. In FY 1984, there were 4,407 regional appeals and 3,165 national appeals; during FY 1985, the Commission processed 28 percent fewer appeals. After adjusting for the increase in national appeals, a total of approximately 1.2 case analyst workyears and 1.0 clerical workyears are saved by the revised procedure. These workyears are now used to provide more expeditious processing of warrant requests and termination actions. In addition, the elimination of regional appeals provides the five Regional Commissioners with time for more thorough and timely consideration of their Commission actions (e.g., parole grant and revocation decisions).

MONDAY, MARCH 10, 1986.

GENERAL ADMINISTRATION

WITNESS

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. DWYER [presiding]. The next item we shall consider today is entitled General Administration, salaries and expenses.

The request for Fiscal Year 1987 is $73,708,000. This amount represents an increase of $5,952,000 above the appropriation for Fiscal Year 1986 adjusted for sequestration under the P.L. 99-177.

We shall insert at this point in the record the justifications in support of this request.

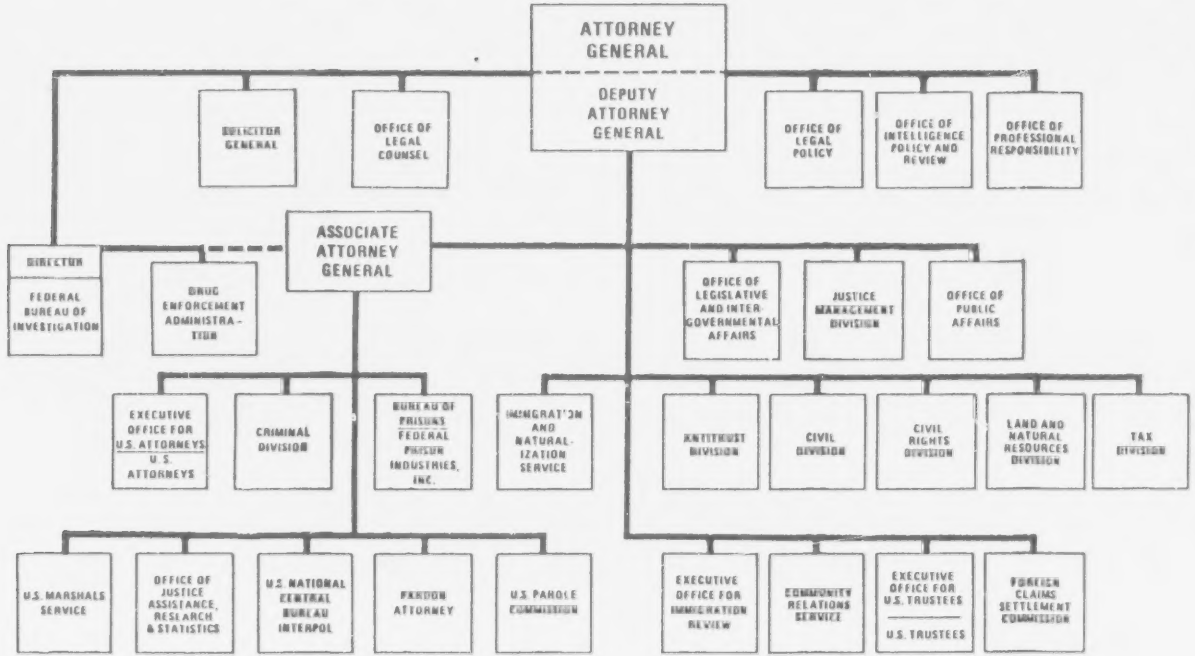
[The justification material follows:]

Department of Justice
General Administration
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Summary of Resources by Program	8
Status of Congressionally Requested Studies, Reports and Evaluations	9
Priority Rankings	10
Summary of Permanent Positions by Category	11
Summary of Adjustments to Base	12
Justification of Adjustments to Base	13
Financial Analysis-Program Changes	17
Summary of Requirements by Grade and Object Class	18
Consulting and Related Services	20
Department Leadership	
Summary of Requirements	21
Justification of Program and Performance	22
Executive Support	
Summary of Requirements	24
Justification of Program and Performance	25
Intelligence Policy and Planning	
Summary of Requirements	29
Justification of Program and Performance	30
Justice Management Division	
Summary of Requirements	34
Justification of Program and Performance	35
Administrative Review and Appeals	
Summary of Requirements	42
Justification of Program and Performance	43

1220

DEPARTMENT OF JUSTICE



William French Smith 1/24/84

WILLIAM FRENCH SMITH
Attorney General

DATE

1

General Administration

Salaries and expenses

Summary Statement

Fiscal Year 1987

The General Administration appropriation is requesting for 1987 a total of $73,708,000, 1,021 permanent positions and 1,099 workyears. This request represents an increase over the 1986 appropriation of $2,908,000 and 5 workyears; and a decrease of 11 positions.

The primary mission of the General Administration appropriation is to support the Attorney General and the senior policy level officials of the Department in the development of policy objectives and the management of the Department. In addition, selective administrative support is provided to the legal divisions and the smaller offices and boards within the Department. This appropriation also supports two organizations responsible for the administrative review and appeal of decisions relating to individuals: Executive Office of Immigration Review and the Pardon Attorney.

The mission of the General Administration appropriation is accomplished through the programs contained in two budget activities: Program Direction and Policy Coordination and Administrative Review and Appeals. Included in the Program Direction and Policy Coordination activity are the following programs: Department Leadership, Executive Support, Intelligence Policy and Planning and the Justice Management Division. The major initiatives and resource requests for these activities and programs are summarized below.

1922

Program Direction and Policy Coordination

This budget activity includes resources for the primary missions of the Offices supported by the following programs: Department Leadership, Executive Support, Intelligence Policy and Planning, and the Justice Management Division. These programs consists of the following:

The Department Leadership program consists of the Offices of the Attorney General, the Deputy Attorney General (DAG) and the Associate Attorney General. These Offices are responsible for developing appropriate policies regarding the administration of justice in the United States; effectively representing the United States in justice-related matters; and providing advice and opinions on legal matters to the President, members of the Congress and heads of Executive departments and agencies. Included within this program is $104,000 to fund the Organized Crime Drug Enforcement Annual Report.

The Executive Support program consists of the Offices of Legal Policy, Public Affairs and Legislative and Intergovernmental Affairs(OLIA). The primary missions of this program are to initiate, develop and coordinate major policy initiatives of high priority to the Department and to the Administration in the areas of civil and criminal justice; to ensure that the Department operates most effectively with the Congress and the Office of Management and Budget (OMB) to advance its legislative goals;

to inform the Departmental personnel, the media, and the public of Department activities expeditiously and accurately; to counsel the Attorney General and other Department officials in their dealings with the media; and to coordinate and facilitate the flow of information applicable to government intergovernmental relations. Included within this program is $120,000 to fund communication and travel expenses associated with the Governor's project.

The Intelligence Policy and Planning program consists of the Office of Intelligence Policy and Review and the Office of Professional Responsibility. This program is responsible for the coordination, development and implementation of Departmental policy on intelligence and national security matters. This program also is responsible for strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering and further developing among all Department employees a commitment to professional responsibility.

The Justice Management Division (JMD) is responsible for ensuring that the management initiatives of the President, the Attorney General, and the Congress are implemented soundly and that administrative support services are delivered efficiently and effectively. The Justice Management Division program consists of the immediate Office of the Assistant Attorney General for Administration, the Offices of the Controller, Personnel and Administration, and Information Techonology. Also included in JMD is the Departmental Audit Staff. So that JMD can improve its productivity in future years, while at the same time implementing management initiatives such as the single payroll and accounting systems and other Reform 88 and Grace Commission recommendations, a program increase of 10 positions and $4,494,000 is requested. Partially offsetting the program increase is an across-the-board productivity improvement which results in a five percent staffing reduction that would save 21 position and $635,000.

Administrative Review and Appeals

This program includes the Office of the Pardon Attorney and the Executive Office for Immigration Review. The Office of the Pardon Attorney is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters. The major staffs of the Executive Office for Immigration Review are: the Office of the Chief Immigration Judge where immigration judges hold hearings to determine the status of an alien; and the Board of Immigration Appeals which hears appeals from certain decisions of the Immigration and Naturalization Service and immigration judges.

General Administration

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include changes in appropriation language listed below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration of the Department of Justice, [$70,800,000]. $73,708,000

(8 U.S.C. 1103 (A); 28 U.S.C. 501, 503, 504, 507-526, 1929; Department of Justice and Related Agencies Appropriation Act, 1986;

Explanation of changes

No substantive changes proposed.

General Administration

Salaries and expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered				
										4.3%	Reprogrammings			Rev.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Pos.	WY	Amt.	Amt.
Program direction and policy coordination:														
Department Leadership	56	58	$5,082a/	...	...	...	56	58	$5,082	-$219b/	...	...	...	$4,863
Executive Support	71	78	5,344a/	...	...	...	71	78	5,344	-229b/	...	...	...	5,115
Intelligence, Policy and Planning	22	22	1,508	...	...	...	22	22	1,508	-65	...	...	...	1,443
Justice Management Division	585	609	44,962	...	...	-$2,055	585	609	42,907	-1,844	...	...	...	41,063
Subtotal	734	767	56,896	...	...	-2,055	734	767	54,841	-2,357	...	...	...	52,484
Administrative Review and Appeals	266	311	15,468	32	16	491	298	327	15,959	-687	...	...	...	15,272
Total	1,000	1,078	72,364	32	16	-1,564	1,032	1,094	70,800	-3,044	...	...	...	67,756

a/ Included in these two decision units are $207,000 for OCDE.

b/ Included in these two decision units are sequestrations totalling $9,000 for OCDE.

General Administration

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Program Direction and Policy Coordination:												
a. Department Leadership.....	56	58	$5,082	...	...	...	...	...	...	56	58	$5,082
b. Executive Support.....	71	78	5,344	...	...	...	...	...	...	71	78	5,344
c. Intelligence Policy and Planning	22	22	1,508	...	...	...	...	...	...	22	22	1,508
d. Justice Management Division.....	585	609	44,962	...	...	-$2,055	...	...	...	585	609	42,907
Subtotal.....	734	767	56,896	...	...	-2,055	...	...	...	734	767	54,841
2. Administration Review and Appeals...	266	311	15,468	32	16	491	...	...	...	298	327	15,959
Total.....	1,000	1,078	72,364	32	16	-1,564	...	...	...	1,032	1,094	70,800

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

The Congress reduced the Program Direction and Policy Coordination and the Administrative Review and Appeals by $1,564,000. This reduction decreased funding for pay cost ($191,000), relocation costs ($437,000), CHOSUN ($600,000), the Comprehensive Crime Control Act ($610,000), and $215,000 in unspecified reductions. In addition, an increase of 32 positions, 16 FTE, and $615,000 was included for the Executive Office for Immigration Review to staff the Oakdale Detention Facility; also included is a reduction of $126,000 for pay cost.

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base

	Perm. Pos.	Work-years	Amount
1986 as enacted	1,032	1,094	$70,800
Savings resulting from management initiatives	-21	-21	-635
Uncontrollable increases	...	16	4,026
Decreases	...	...	-4,977
1987 base	1,011	1,089	69,214

Estimates by budget activity	1985 Actual			1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount
1. Program direction and policy coordination:															
a. Departmental Leadership	56	82	$5,084	56	58	$5,082	56	58	$5,379	56	58	$5,379	...	...	...
b. Executive Support	71	93	5,139	71	78	5,344	71	78	5,545	71	78	5,545	...	...	...
c. Intelligence Policy and Planning	22	22	1,601	22	22	1,508	22	22	1,572	22	22	1,572	...	...	...
d. Justice Management Division	568	602	35,385	585	609	42,907	564	588	39,120	574	598	43,614	10	10	$4,494
Subtotal	717	799	47,209	734	767	54,841	713	746	51,616	723	756	56,110	10	10	4,494
2. Administrative Review & Appeals	266	259	14,523	298	327	15,959	298	343	17,598	298	343	17,598	...	...	...
3. Federal Justice Research Program	...	...	123	...	...	...	...	...	...	...	...	...	...	...	...
4. State and Local Drug Grants	...	...	9,840	...	...	...	...	...	...	...	...	...	...	...	...
Total	983	1,058	71,695	1,032	1,094	70,800	1,011	1,089	69,214	1,021	1,099	73,708	10	10	4,494

General Administration

Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program direction and policy coordination:																		
Department Leadership	56	58	$4,788	56	82	$5,084	56	58	$5,082	56	58	$5,379	56	58	$5,379	...	...	...
Executive Support	71	78	4,930	71	93	5,139	71	78	5,344	71	78	5,545	71	78	5,545	...	...	...
Intelligence Policy and Planning	22	22	1,424	22	22	1,601	22	22	1,508	22	22	1,572	22	22	1,572	...	...	...
Justice Management Division	568	592	36,116	568	602	35,385	585	609	42,907	564	588	39,120	574	598	43,614	10	10	$4,494
Subtotal	717	750	47,258	717	799	47,209	734	767	54,841	713	746	51,616	723	756	56,110	10	10	4,494
Administrative Review and Appeals	266	307	14,894	266	259	14,523	298	327	15,959	298	343	17,598	298	343	17,598	...	...	...
Federal Justice Research Program	...	...	...	...	...	123	...	...	...	...	...	...	...	...	...	...	...	...
State and Local Drug Grants	...	...	9,900	...	...	9,840	...	...	...	...	...	...	...	...	...	...	...	...
Total	983	1,057	72,052	983	1,058	71,695	1,032	1,094	70,800	1,011	1,089	69,214	1,021	1,099	73,708	10	10	4,494
Reimbursable Workyears		33			39			33			33			33			...	
Total Workyears		1,090			1,097			1,127			1,122			1,132			10	
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime		22			22			22			22			22			...	
Total compensable workyears		1,112			1,119			1,149			1,144			1,154			10	

Status of Congressionally Requested Studies, Reports, and Evaluations

The Justice Management Division had responsibility for the following Congressionally requested studies:

- A feasibility study of whether the Kansas and Minnesota State prisons' projects to provide private industry job experience for inmates could be replicated by the Federal Prison System was completed in 1985. The report was sent to the Chairman and Ranking Minority Member of the Senate Committee on the Judiciary on June 5, 1985.

- A study of administratively uncontrollable overtime was completed in 1985. A report was sent to the Chairman of the House Appropriations Subcommittee on February 1, 1985.

- In response to the Conference report on P.L. 99-180, the Department has sent the Appropriations Committees an explanation relating to the staffing of the Departmental leadership offices.

- The Drug Enforcement Policy Board, in conjunctin with the Drug Enforcement Administration and the Department of Health and Human Services, has prepared a final report on the spreading use of synthetics in designer drugs. The Interagency Committee required to approve the report met early in February 1986.

- The Department plans to comply with the Congressional directive that appropriates funds to relocate and consolidate space in the Washington, D.C. area will be in compliance with the 135 square feet per employee requirement established by the General Services Administration.

1229

General Administration

Salaries and expenses

Priority Rankings

Base Program		Program Increase	
Program	Ranking	Program	Ranking
Department Leadership	1	Justice Management Division	1
Intelligence Policy and Review	2		
Justice Management Division	3		
Executive Support	4		
Administrative Review and Appeals	5		

1230

General Administration

Salaries and expenses

Summary of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Mgmt. Savings	1987 Program Increases	1987 Total
Attorneys (905)	182	190	...	...	190
Paralegals (950)	3	3	...	...	3
Gen. Admin./Clerical (300-399)	473	497	-21	9	485
Business & Industry (1100-1199)	24	24	...	...	24
Security Specialist (080)	16	21	...	...	21
Personnel Management (200-299)	65	65	...	...	65
Accounting/Budget (500-599)	127	139	...	1	140
Library (1400-1499)	35	35	...	...	35
Supply Group (2000-2099)	16	16	...	...	16
Motor Vehicle Operations (5703)	13	13	...	...	13
Miscellaneous (001-099)	29	29	...	...	29
Total	983	1,032	-21	10	1,021
Washington	746	765	-21	10	754
U.S. Field	237	267	...	...	267
Total	983	1,032	-21	10	1,021

General Administration

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	1,032	1,094	$70,800
Adjustments to base:			
Savings resulting from management initiatives	-21	-21	-635
Uncontrollable increases:			
Annualization of positions approved in 1986	...	16	895
Within-grade increases	...	...	377
Health benefits costs	...	...	38
GSA rent	...	...	1,621
GSA recurring reimbursable services	...	...	15
Postal services increases	...	...	17
Telephone system line charges	...	...	204
Departmental printing	...	...	18
GPO printing costs	...	...	6
General pricing level adjustment	...	...	835
Total, uncontrollable increases	...	16	4,026
Decreases:			
Rate decrease for Federal Telecommunications System	...	...	-48
Nonrecurring costs for relocation	...	...	-2,533
Nonrecurring costs for equipment and contracts	...	...	-2,396
Total, decreases	...	...	-4,977
1987 Base	1,011	1,089	69,214

1232

General Administration

Salaries and Expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm Pos.	Work-years	Amount
Savings resulting from management initiatives:	-21	-21	-$635

In the Department's efforts to comply with the Administration's guidance, an across-the-board productivity improvement is reflected in the Justice Management Division which resulted in a five percent reduction in staffing.

Uncontrollable increases:

1. Annualization of 32 additional positions approved in 1986 for the Executive Office for Immigration Review	...	16	895

	Approved 1986 Increase	Annualization Required
Annual salary rate of approved positions	$817,000	
Less lapse (50.0%)	408,500	$408,500
Net compensation	408,500	
Associated employee benefits	39,500	39,500
Printing	...	4,000
Systems development and non-personnel costs	167,000	447,000
Total costs subject to annualization	615,000	899,000

Systems development and non-personnel costs include costs associated with implementing the Automated Nationwide System for Immigration Review (ANSIR) at the Oakdale facility as well as ADP charges and supply and furniture purchases associated with the new positions.

2. Within-grade increase	...	...	377

This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $338,000 and benefits $39,000 = $377,000.)

	Perm. Pos.	Work-years	Amount
3. Health Benefits Costs	...	...	$38

The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 10 percent due to both the Department's carrier rate increases and changes in enrollment plans. The requested increase of $38,000 provides funds for increased costs from pay periods No. 2, $1,475,000 to pay period No. 3, $1,476,462 projected for 26 pay periods.

4. GSA Rent	...	...	1,621

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) System. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. Our uncontrollable increase of $1,621,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

5. GSA recurring reimbursable services	...	...	15

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard services. GSA has estimated a 4.5 percent increase of $15,000 over 1986 charges of $333,000.

6. Postal Service Increases	...	...	17

In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full-year 10 percent increase for 1986 will have to be absorbed. For 1987 the requested increase of $17,000 provides for a 10 percent increase over the 1985 budgeted base of $170,000.

7. Telephone System line charges	...	...	204

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition the current system is inflexible, offers no

1234

	Perm. Pos.	Work-years	Amount
practical means to control costs and cannot provide the contemporary communications service required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and data Private Branch Exchange (PBX). Funding of $204,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million would be included in the FY 1989 request.			
8. Departmental Printing and reproduction costs	...	...	$18
The Department is currently projecting a five percent increase over the 1986 printing cost of $360,000. An additional $18,000 will be required in 1987.			
9. Government Printing Office (GPO) printing costs	...	...	6
The GPO is currently projecting a six percent increase over the 1986 printing cost of $100,000. An additional $6,000 will be required in 1987.			
10. General pricing level adjustment	...	...	835
This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
Total, uncontrollable increases	...	15	4,026

	Perm Pos.	Work-years	Amount
Decreases (Automatic non-policy)			
1. Rate decrease for Federal Telecommunication System	...	...	-$88
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $88,000 will be subtracted from the 1986 base of $567,000.			
2. Nonrecurring costs for relocation	...	...	-2,533
This decrease is to remove one-time expenses associated with relocation construction and moving for the OLP and JMD. This request was made in the recent 1986 budget amendment.			
3. Nonrecurring costs for equipment and contracts	...	...	-2,816
This decrease is to remove one-time expenses for the purchase of equipment and contractual costs related to the ORION project. This request was made in a 1986 budget amendment.			
Total decreases	...	...	-5,437
Total, adjustments to base	-31	-5	-1,486

General Administration

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Justice Management Division	
	Pos.	Amount
Grades		
GS/GM-15	3	$158
GS/GM-13	5	188
GS-12	-5	-154
GS-11	-8	-202
GS-9	-4	-84
GS-7	-2	-44
Total workyears and personnel compensation	-11	-138
Personnel benefits	...	-21
GSA Rent	...	-19
Other services	...	4,037
Total workyears and obligations, 1987	-11	$3,859

General Administration
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary range	1986 Estimate Positions & Workyears	1986 Estimate Amount	1987 Request Positions & Workyears	1987 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level I, $86,700	1		1		...	
Executive Level II, $75,100	2		2		...	
ES-6, $72,300	6		6		...	
ES-5, $70,500	6		6		...	
ES-4, $68,700	18		18		...	
ES-3, $66,233	11		11		...	
ES-2, $63,764	3		3		...	
ES-1, $61,296	9		9		...	
GS/GM-15, $52,262-67,900	158		157		-1	
GS/GM-14, $44,430-57,759	117		117		...	
GS/GM-13, $37,599-48,876	102		107		5	
GS-12, $31,619-41,105	57		52		-5	
GS-11, $26,381-34,295	41		33		-8	
GS-10, $24,011-31,211	8		8		...	
GS-9, $21,804-28,347	66		62		-4	
GS-8, $19,780-25,662	50		50		...	
GS-7, $17,894-23,170	83		81		-2	
GS-6, $16,080-20,895	117		117		...	
GS-5, $14,490-18,710	78		78		...	
GS-4, $12,862-16,724	63		63		...	
GS-3, $11,458-14,896	22		22		...	
GS-2, $10,501-13,216	3		3		...	
Ungraded positions	23		23		...	
Total, appropriated positions	1,042	$37,461	1,021	$37,371	-11	-$90
Pay above stated annual rates	...	144	...	141	...	-3
Lapses	-49	-1,609	-28	-1,029	16	580
Net full-time permanent	988	35,996	993	36,483	5	487
Other than permanent:						
Part-time permanent	61	1,906	61	1,921	...	15
Temporary employment	38	563	38	563	...	...
Other part-time and intermittent employment	11	588	11	588	...	...
Overtime	22	872	22	872	...	...
Special personal services payments	...	40	...	40	...	...
Total, workyears and personnel compensation	1,110	39,965	1,121	39,967	5	502
Average ES salary		($67,143)		($67,143)		
Average GS/GM salary		($38,167)		($38,656)		
Average GS/GM grade		(9.9)		(10.0)		

General Administration

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1986 Estimate Workyears	1986 Estimate Amount	1987 Estimate Workyears	1987 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	988	$35,996	993	$36,483	5	$487
11.3	Other than full-time permanent	106	2,957	106	2,972	...	15
11.5	Other personnel compensation	22	872	22	872	...	...
11.8	Special personal services payments	...	40	...	40	...	...
	Total, workyears and personnel compensation	1,116	39,865	1,121	39,967	5	502
12	Personnel benefits		4,273		4,366		93
21	Travel and transportation of persons		1,254		1,301		47
22	Transportation of things		315		297		-18
23.1	GSA rent		5,620		6,840		1,220
23.3	Communications, utilities, and other miscellaneous charges		4,969		5,319		350
24	Printing and reproduction		600		638		38
25	Other services		10,296		12,427		2,131
26	Supplies and materials		1,962		1,649		-87
31	Equipment		2,891		918		-1,973
	Total obligations		71,295		73,708		2,463
	Unobligated balance, start-of-year		-495		...		495
	Total requirements		70,800		73,708		2,908
Relation of obligations to outlays:							
Total obligations			71,295		73,708		
Obligated balance, start-of-year			6,840		13,939		
Obligated balance, end-of-year			-13,939		-15,403		
Outlays			64,156		72,234		

General Administration

Salaries and Expenses

Consulting and Related Services
(Dollars in thousands)

	1984 Actual	1985 Estimate	1986 Estimate
Consulting Services.....	$400	$400	$400
Management and Professional Services.....	200	200	200
Special Studies and Analysis.....	...	...	...
Total.....	600	600	600

Consulting and related services are used in the General Administration only for services which cannot be performed in-house. Services are required for Interpreter, Reporting, Transcipt, Administrative and Technical purposes. No increases are requested in 1987.

1240

Department Leadership

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	56	58	$5,082
Uncontrollable increases:			
Within-grade increases	...	...	27
Health benefits costs	...	...	2
GSA rent	...	...	199
Postal services increase	...	...	2
Telephone system line charges	...	...	24
Departmental printing	...	...	5
GPO printing costs	...	...	1
General pricing level adjustment	...	...	45
Total uncontrollable increases	...	...	305
Decreases (automatic non-policy):			
FTS decrease	...	...	-8
Total decreases	...	...	-8
1987 base	56	58	5,379

Estimates by budget activity and decision unit	1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Department Leadership	56	82	$5,084	56	58	$5,082	56	58	$5,379	56	58	$5,379	...	...	...

Department Leadership

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination:	1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Department Leadership:												
Attorney General.....	20	21	$1,721	20	21	$1,825	20	21	$1,825	...	...	...
Deputy Attorney General.....	24	25	2,218	24	25	2,354	24	25	2,354	...	...	...
Associate Attorney General....	12	12	1,143	12	12	1,200	12	12	1,200	...	...	...
Total.....	56	58	5,082	56	58	5,379	56	58	5,379	...	...	...

Long-Range Goal. To develop appropriate policies regarding the administration of justice in the United States; to represent the United States effectively in justice-related matters; and to provide advice and opinions on legal matters to the President, and heads of Executive departments and agencies.

Major Objectives.

- To formulate and implement major departmental policies and programs.
- To provide overall supervision and direction to the organizational units of the Department of Justice.
- To investigate, process and make recommendations to the President on all prospective candidates for judicial and Justice Department Presidential appointments.
- To coordinate criminal justice matters with federal, state and local law enforcement and criminal justice agencies.
- To maintain and supervise the Attorney General's Honor Law Graduate and Attorney Employment Programs.
- To establish and implement a standardized system to collect information on task force cases.
- To prepare and disseminate an Annual Report to the Congress and the public regarding the current status of efforts against organized crime drug enforcement.

Base Program Description. The Attorney General is primarily responsible for developing and implementing the policy objectives of the Department and for managing the Department's programs and resources. He is supported by staff members who coordinate various program activities to ensure consistency with current Department guidelines and policies. Staff members also serve as liaison between Department organizations and the Attorney General when matters of importance require his direct involvement. The Attorney General keeps the public informed of Department activities by appearing before a wide range of citizens' groups and professional associations. He also meets regularly with the President and members of the White House staff, other Federal agency officials, and members of the Congress on department policy and program matters.

In supporting the policies of the Attorney General, the Deputy Attorney General provides testimony before Congressional committees on legislation affecting the Department and acts as the Department's liaison with the White House staff and the Executive Office of the President. In addition, the Deputy Attorney General exercises the power and authority invested in the Attorney General, to take final action in matters pertaining to: employment, separation and general administration of personnel in the Senior Executive Service, and of attorneys. The Deputy Attorney General oversees the Attorney General's Employment Program for Honor Law Graduates and Judicial Law Clerks. In the Attorney General's absence, the Deputy Attorney General serves as the acting official for the Department.

The Associate Attorney General assists the Attorney General and the Deputy Attorney General in formulating and implementing Departmental policies and programs pertaining to civil matters and provides overall guidance and direction on antitrust, civil rights, foreign claims, environmental, tax and bankruptcy issues.

The President has mandated the Attorney General to report to the American people regarding the status of law enforcement efforts directed at organized crime. The annual report will be prepared by the Department of Justice staff utilizing statistical data collected on Task Force cases. This request covers the cost associated with submitting an annual report, such as editing, design, typesetting, printing and distribution.

Executive Support

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	71	78	$5,349
Uncontrollable increases:			
Within-grade increases	...	...	37
Health benefits costs	...	...	3
GSA rent	...	...	288
Departmental printing services	...	...	2
Postal costs	...	...	1
Telephone System line charges	...	...	53
General pricing level adjustment	...	...	35
Total uncontrollable increases	...	...	379
Decreases (automatic non-policy):			
FTS decrease	...	...	-7
Non-recurring costs for one-time relocation expenses	...	...	-162
Total decreases	...	...	-169
1987 Base	71	78	5,559

Estimates by budget activity and decision unit	1985 Actual			1986 Appropriation Anticipated			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Executive Support:	71	93	$5,139	71	78	$5,349	71	78	$5,565	71	78	$5,565	...	...	...

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Support:												
Office of Legal Policy.....	31	34	$2,393	31	34	$2,406	31	34	$2,406	...	...	...
Office of Public Affairs.....	13	14	1,258	13	14	1,337	13	14	1,337	...	...	...
Office of Legislative and Intergovernmental Affairs...	27	30	1,693	27	30	1,802	27	30	1,802	...	...	...
Total.....	71	78	5,344	71	78	5,545	71	78	5,545			

Long-Range Goal. To initiate, develop and coordinate major policy initiatives of high priority to the Department and to the Administration in the areas of civil and criminal justice; to ensure that the Department operates most effectively with the Congress and the Office of Management and Budget to advance its legislative goals; to improve coordination with State and local governments on regulatory and legislative issues of importance to the Department, and to inform Department personnel, the media and the public of Department activities expeditiously, and accurately counsel the Attorney General and other Department officials in their dealings with the media.

Major Objectives.

- To develop a more coherent process for determining legislative policy.
- To coordinate joint Department efforts to secure enactment of legislation and other policy proposals of special interest to the Department and the Administration.
- To utilize effectively the appropriate Departmental personnel in developing and advocating legislative policy for Congress.
- To coordinate policy development and encourage consistent implementation of the Freedom of Information Act responsibility within the Executive Branch, and to oversee and supervise the disposition of appeals to denials of information requested from the Department under the Freedom of Information and Privacy Acts.
- To advise and assist the Attorney General and Deputy Attorney General regarding the selection and appointment of Federal judges.
- To process and certify requests for special U.S. Marshal deputations.
- To process and authorize reimbursable agreements for state and local law enforcement overtime and travel agreements.

- To represent the Department on the Administrative Conference of the United States, and where appropriate, to represent the Department on regulatory reform matters.
- To inform the Attorney General, Department officials, and rank and file personnel of the Department regarding statements about the Department in daily and periodical press and broadcasting.
- To assist the Attorney General and other department officials in responding to reporters and editors effectively through interviews, press conferences and other forums.
- To promote staff support for the Attorney General on matters under consideration by the Cabinet and the National Security Council.
- To advise the Attorney General on requests (from U.S. Attorneys) to issue subpoenas to newsmen and news organizations and to counsel U.S. Attorneys on how and when to use subpoena power.
- To coordinate appropriate public policy announcements with the White House and other Federal Departments and Agencies.
- To coordinate and facilitate the flow of information relating to DOJ policies applicable to Departmental intergovernmental relations.
- To maintain a steady flow of information between State and local governments and the Department.
- To provide public affairs services, as appropriate, for domestic and international travel, public appearances, and Departmental ceremonies for the Attorney General and other senior officials.
- To coordinate with Federal, State and local officials on law enforcement and legal issues relating to program, regulatory and legislative reform.

Base Program Description. Executive Support consists of the Offices of Legal Policy, Public Affairs, and Legislative and Intergovernmental Affairs.

The Office of Legal Policy (OLP) serves as the central point for the Department-wide coordination and review of policy initiatives of special concern to the Attorney General and the Administration. OLP is responsible for supporting the Attorney General in his role as permanent chairman of the Federal Legal Council, for advising the Attorney General on the appointment of Federal Judges, and for the administration of the Federal Justice Research Program. OLP provides staff support for matters coming before the Cabinet and the National Security Council; represents the Department on inter-departmental committees and working groups; and gives policy advice on a wide variety of issues, including, for example, regulatory reform, and criminal justice programs.

The Office of Public Affairs (PAO) is the principal point of contact for the Department of Justice with the public and the press. Its mission is twofold: (1) to inform the public about Department of Justice activities and developments, and (2) to provide similar information internally to Department personnel. The staff coordinates the public affairs effort of all Department organizations and maintains close liaison with their top executives as well as media representatives. The Office of Public Affairs disseminates information about the Department of Justice through the news media and by personal contact with the public. It serves reporters by responding to queries, issuing press releases and statements, arranging interviews, and conducting conferences and mailings. The Office provides assistance to members of the general public by answering telephone and mail requests, receiving visiting groups, and by scheduling speakers upon request. The Office also prepares concise reports on sensitive issues for out-of-town trips by the Attorney General and his top associates. Briefing sessions on topics likely to be covered are prepared for major meetings of the Attorney General with the news media. The Office prepares drafts of the Attorney General's speeches, as well as those of other top Department officials on request.

The office also reviews draft testimony. A compilation of newspaper and magazine clippings for principal Department executive is prepared and distributed twice daily. The Office reviews policy content of all publications for release outside the Department, writes all news releases for headquarters, and edits those of the components averaging more than 600 per year. In addition, PAO edits the Department Organization and Functions brochure.

The Office of Legislative and Intergovernmental Affairs (OLIA), is responsibile for developing and coordinating the Department's legislative program and for liaison with the Congress and other Executive Branch agencies as to its implementation. In addition to preparation and management of the Department's legislative program, the Office must prepare legislative reports on bills each year for submission to the Office of Management and Budget or to Congressional committees. Each submission requires that the relevant offices, boards, divisions or bureaus be consulted, their views collated, and a synthesized report on Departmental policy with respect to that bill be prepared. It may also require meetings with the Office of Management and Budget representatives to work out interagency differences which will present a unified Administration position to Congress. Finally, the Office must analyze enrolled bills which are sent to the Department for review prior to submission to the President for his signature or veto. These reports must generally be delivered within a 24 to 48 hour time frame. In addition, this Office coordinates and facilitates the flow of information relating to DOJ policies applicable to Department intergovernmental relations. This office seeks to promote the efficient interchange within the Department of information pertaining to the Nation's State, county, and local officials regarding departmental policies and priorities. This will assist in coordinating the Department's efforts with State and local governments by maintaining a steady flow of information between them and the Federal Government.

Accomplishments and Workload. Accomplishments of the Office of Legal Policy during 1984 include:

1. OLP worked with Department and White House officials to identify and select qualified judicial candidates. OLP led the Department's contribution to the passage of the Bankruptcy Admendments and Federal Judgeship Act of 1984.

2. OLP represented the Department on interagency Cabinet Council working groups on such matters as intellectual property, international legal plolicy, financial services regulation, and commercial space initiatives.

3. OLP chaired an intradepartmental working group on litigation involving Executive Order 12291 (OMB oversight of rulemaking).

4. OLP prepared informational materials explaining the Comprehensive Crime Control Act of 1984; it also published a guide for governmental attorneys on the disclosure and use of grand jury materials following United States v. Sells Engineering and United States v. Baggott.

5. Through the Federal Justice Research Program, a Dispute Resolution Information Center was established to further the use of non-judicial dispute resolution.

59-584 O—86——40

Accomplishments of the Office of Legislative and Intergovernmental Affairs are reflected in the following table:

Item	98th Congress	99th Congress	(Estimated) 100th Congress
Legislative requests disposed of:			
by report to Congressional committees	500	550	650
by report to OMB	800	800	1,000
by report to other sources	150	150	200
by deferral, Congressional action, referral, etc	800	900	900
Testimony:			
Hearings monitored and transcripts processed	350	400	400
Hearing statements presented	350	400	370
Supplemental material provided	175	200	220
Inquiries processed:			
Congressional Mail	8,500	8,500	9,000
Telephone	9,000	9,000	9,600
Technical assistance provided	780	850	1,000
Department legislative program:			
Enacted into Law	9	9	9
Approved by House/Senate	6	6	12
Approved by Committee	3	3	20

Accomplishments of the Office of Public Affairs include:

- Arranged more than 250 press interviews with key Department officials at Justice headquarters.
- Arranged print or broadcast/telecast interviews with senior Department officials on business trips in over 100 cities.
- Screened more than 1,300 requests for personal appearances by the Attorney General.
- Coordinated 28 trips and numerous public appearances by the Attorney General including his visit to several nations to confer on narcotics, refugee resettlement and international terrorism.
- Prepared monthly and annual reports of the Department's activities and accomplishments for the White House.
- Performed all staff work for the Young American Medals program including screening of nominations, travel arrangements for recipients and families, and special assistance to the President in his presentation of the awards.
- Provided start-up help and continuing support to the President's Organized Crime Commission, enabling it to focus public attention on its public hearings nationwide.
- Answered approximately 30,000 telephone and 1,000 mail requests for information.
- Provided editors of papers throughout the nation with detailed information packets on complex legal issues of bail reform, drug enforcement, civil rights and immigration.

Intelligence Policy and Professional Responsibility

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	22	22	$1,508
Uncontrollable increases:			
Within-grade increases	...	...	11
GSA rent	...	...	47
Telephone system line charges	...	...	6
General pricing level adjustment	...	...	4
Total uncontrollable increases	...	...	68
Decreases (automatic non-policy):			
FTS decrease	...	...	-4
1987 base	22	22	1,572

Estimates by budget activity and decision unit	1985 Actual			1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Intelligence Policy and Planning	22	22	$1,601	22	22	$1,508	22	22	$1,572	22	22	$1,572	...	...	...

Intelligence Policy and Planning

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence Policy and Planning:												
Intelligence Policy and Review....	14	14	$922	14	14	$964	14	14	$964	...	...	...
Professional Responsibility.....	8	8	586	8	8	608	8	8	608	...	...	...
Total.....	22	22	1,508	22	22	1,572	22	22	1,572	...	...	...

Long-Range Goal. To assist the Attorney General in strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering and further developing among all Department employees a commitment to the highest professional standards. Also, to assist in the development of national security related policies and maintain confidence in the lawfulness of United States intelligence activities, consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information, and the need for effective counterintelligence.

Major Objectives.

To provide legal advice concerning intelligence and national security matters to the Attorney General and to the Executive Branch of the government.

To participate in the development of legal aspects of national security and intelligence policy.

To prepare FBI and other applications for intelligence searches and surveillances and approve other counterintelligence investigative activities.

To represent intelligence agencies as legal counsel before the United States Foreign Intelligence Surveillance Court.

To participate in pre-trial litigation involving the Foreign Intelligence Surveillance Act in criminal prosecutions for for espionage and international terrorism.

To monitor, as appropriate, intelligence and counterintelligence activities to ensure conformance with statutory Executive Order and other guidelines.

To participate in the drafting of procedural guidelines and new legislation for the conduct of intelligence activities.

To maintain liaison with the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence to ensure they are apprised of Departmental views on national security and intelligence policy, and are appropriately informed regarding operational intelligence and counterintelligence activities.

To improve and refine the Department-wide reporting system in which misconduct and criminal allegations are made against Department employees.

To establish a comprehensive, efficient and effective internal inspection system throughout the Department by periodically evaluating organizations and programs involved with employee integrity.

To oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees that may be in violation of law, Department regulations or orders, or applicable standards of conduct.

To ensure the effective operation of a program which facilitates the reporting of allegations of fraud, mismanagement and waste of funds.

Base Program Description. The Office of Intelligence Policy and Review (OIPR) participates directly in the interpretation and application of national intelligence law and national security policy as the Department's representative to the National Intelligence Council. It also participates through regular consultation with senior staff of the National Security Council in considering significant operational aspects of intelligence and counterintelligence activities and through participation in ad hoc resolution of intelligence and national security questions. Federal Bureau of Investigation (FBI) and other agency requests that the Attorney General approve, applications for electronic surveillance and other intelligence and counterintelligence activities are also reviewed by OIPR. Based on the findings of legal sufficiency and compliance with applicable guidelines and directives, recommendations, are made to the Attorney General to approve or disapprove these requests.

Guided by the Office of Professional Responsibility (OPR), the Attorney General issues an annual statement to all employees of the Department reminding them of their responsibility to report misconduct encountered in the course of their duties. Efforts are also taken to ensure that all employees are reminded of the "whistle-blower" protections contained in the Civil Service Reform Act and Departmental regulations. Individual Professional Responsibility attorneys frequently conduct investigations involving attorneys or senior Department officials against whom allegations of misconduct have been made. In addition, the Office's attorneys serve as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees. The Office also ensures the effective operation of a program which facilitates the reporting of allegations of fraud, mismanagement and waste of funds.

Accomplishments. The principal accomplishments of the Office of Intelligence Policy and Review (OIPR) in the policy area during the past year have included continued development of significant procedures governing collection by intelligence agencies as well as dissemination to, and use by, law enforcement agencies of intelligence information relating to international narcotics production and trafficking. In addition, the Office participated in various efforts to enhance the Government's capabilities to protect against illegal technology transfer, international terrorism and international narcotics activities. Revision of interagency procedures under E.O. 12333 has been largely completed, with only those relating to the NSA remaining. The office continues to Chair the Department Review Committee and an interagency group to review and revise the government's personnel security program under E.O. 10450. A number of initiatives are being pursued or have been completed by the Office concerning the prior review by DOJ of intelligence activities that might otherwise violate U.S. criminal law. Legal and policy advice was provided to a broad range of departments, agencies and components on a wide variety of national security-related topics.

The principal accomplishments of OIPR in its operational responsibilities relate to administration of the Foreign Intelligence Surveillance Act (FSIA) of 1978. Since the act was passed the office has handled a steadily increasing workload with little or no increase in staff. That is:

Calendar Year	FISA Orders
1980	319
1981	431
1982	475
1983	549
1984	632

Moreover OIPR has been given responsibility by the Attorney General to coordinate all litigation involving those aspects of criminal prosecutions in which the FISA is at issue. During 1983, 1984, and 1985, OIPR has prepared motion papers and briefs in more than a dozen criminal prosecutions, all which have resulted in favorable decisions for the government in upholding the legality of FISA.

Concomitant with electronic surveillance matters, OIPR has handled a proportional increase in other operational intelligence activities which require staff and field review on behalf of the Attorney General. This includes counterintelligence investigations, undercover activities and other highly sensitive matters. Similarly, a new program has been instituted to monitor FBI implementation of Domestic Security investigations under new guidelines promulgated by former Attorney General Smith. In 1984, 500 complaints or other requests for investigation of Departmental employees were received and reviewed. Also monitored were approximately 1,600 additional investigations being conducted by the internal inspection units of the components. A comprehensive audit by the Office of Professional Responsibility of the I&NS was also conducted.

Guided by the Office of Professional Responsibility (OPR), the Attorney General issues an annual statement to all employees of the Department reminding them of their responsibility to report misconduct encountered in the course of their duties. Efforts are also taken to ensure that all employees are reminded of the "whistle-blower" protections contained in the Civil Service Reform Act and Departmental regulations. Individual Professional Responsibility attorneys frequently conduct investigations involving Attorneys or senior Department officials against whom allegations of misconduct have been made. In addition, the Office's attorneys serve as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees. In addition, OPR continued its program which facilitates the reporting and resolution of allegations of fraud, mismanagement, and waste of funds.

Justice Management Division

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in Thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	586	609	$42,907
Savings resulting from management initiatives	-21	-21	-635
Uncontrollable increases:			
Within-grade increases	...	...	222
Health benefits costs	...	...	23
GSA Rent	...	...	669
GSA recurring reimbursable services	...	...	15
Postal costs	...	...	11
Telephone system line charges	...	...	120
Departmental Printing	...	...	8
GPO printing costs	...	...	4
General pricing level adjustment	...	...	571
Total uncontrollable increases	...	...	1,643
Decreases (automatic non-policy):			
FTS decrease	...	...	-28
Non-recurring costs for CMOSHH and relocation expenses	...	...	-4,767
Total decreases	...	...	-4,795
1987 base	565	588	39,120

Estimates by budget activity/program	1985 Actual Perm. Pos.	1985 Actual WY	1985 Actual Amount	1986 Appropriation Anticipated Perm. Pos.	1986 Appropriation Anticipated WY	1986 Appropriation Anticipated Amount	Base for 1987 Perm. Pos.	Base for 1987 WY	Base for 1987 Amount	1987 Request Perm. Pos.	1987 Request WY	1987 Request Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
1. Program Direction and Policy Coordination: Justice Management Division	568	602	$35,385	585	609	$42,907	565	588	$39,120	575	598	$43,618	10	10	$4,498

Justice Management Division

Salaries and Expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Justice Management Division.....	585	609	$42,907	564	588	$39,120	574	598	$43,614	10	10	$4,494

Long-Range Goal. This decision unit is ultimately responsible for ensuring that the management initiatives of the President, the Attorney General and the Congress are implemented soundly and responsibly and that the administrative support services are delivered. This decision unit also includes the Departmental Audit function which allows the Attorney General to support the Administration's efforts against waste, fraud and abuse.

Major Objectives.

- To ensure that Department management activities are provided central direction and control.
- To ensure that administrative support services are delivered efficiently and effectively.
- To provide legal support and legislative advice in administrative/management areas.
- To provide for the security, safety and health of Departmental personnel, and safeguard property and information; ensure a high degree of responsiveness to the continuity of government during peacetime and wartime national emergencies.
- To provide Department-wide direction and staff leadership for the development and implementation of EEO policy.
- To ensure that the Attorney General is able to exercise control and policy administration in the areas of personnel, property management and procurement.

- Complete the implementation of a computerized postage system within the Office, Boards and Divisions to change the rate basis used to determine annual postage cost reimbursement to the U.S. Postal Service and provide mail management information to monitor postage costs, budget performance and variances in mail volumes.

- To design, develop, and implement an accounting system for the Department of Justice that complies with the principles and standards promulgated by the Department, the General Accounting Office, the Office of Management and Budget, the Treasury Department, and other Government control agencies.

- To develop and maintain the automated Financial Management Information System (FMIS) to facilitate budget formulation and execution, management control, and fiscal performance reporting within the Department and as a basis for OMB and Congressional submissions.

- To coordinate the President's Management Improvement Program, including "Reform '88," to effect improvements in the management and administrative systems of the Department.

- To develop a responsive case management system to assist in the effective management of the Department's litigation responsibilities.

- To increase the effectiveness and efficiency of the Department's program delivery through improved program and financial management, budgeting, program evaluations, and management assistance studies.

- To effect major improvements in the Department's automated information and communications management activities, including the provision of a comprehensive information retrieval network and the development and implementation of systems for automated legal research, litigation notice, and compatible case management and tracking.

- To provide balanced audit coverage of Department functions, programs, organizations, and activities. This includes the effective performance of ADP audits by all Audit Staff regional offices.

- To implement audit requirements established by Federal legislation and regulations, Department policy and executive initiatives.

Base Program Description. The Assistant Attorney General for Administration (AAG/A) provides direct supervision for unusually sensitive areas of management responsibility within the Justice Management Division (JMD). These areas include legal counsel, equal employment opportunity, and security programs of the Department. In addition, each of the three main organizational components of the Division is supervised by a Deputy Assistant Attorney General. This structure facilitates the administration of the Division by providing for accountability and delegation of responsibility.

The Office of Personnel and Administration, under the direction of a Deputy Assistant Attorney General, ensures that departmental orders and directives which set forth policy and program requirements for personnel, procurement and property management are developed. Personnel and procurement actions are processed ensuring adherence to all rules

and regulations disseminated by Office of Personnel Management, Office of Federal Procurement Policy, General Services Administration, and other regulatory agencies. Direct management or oversight of all Departmental buildings and space assignments, including property transfers, renovations and mail management is performed by this office. Depending upon the nature and significance of the activity, methods and procedures may vary for accomplishing the tasks at hand.

The Office of the Controller, under the direction of a Deputy Assistant Attorney General, ensures that the Department's management and budget responsibilities are carried out through comprehensive analyses of organization's program plans, budget estimates, appropriation and authorization requests and that these activities meet Congressional, Presidential and Departmental policy initiatives. Studies and evaluations are performed in response to concerns of Congress, OMB or Departmental management. Financial and accounting systems are operated and continuously reviewed to ensure adherence to all appropriate statutory and administrative regulations.

The activities, managed by the Deputy Assistant Attorney General for the Office of Information Technology, provide professional systems analyses, and a knowledge of the legal, regulatory and policy framework governing information processing. Additional duties performed within this program include identification and validation of department-wide information and communications requirements and reviewing Departmental data processing budget forecasts.

The Justice Management Division provides legal and legislative advice on all administrative and management matters and reviews proposal responses to legislation, rules and regulations affecting the Department. The Division also develops, administers, and evaluates implementation of Department regulations and procedures for the processing of requests under the FOIA/PA and Ethics in Government Act.

The objectives of the Department's security programs are accomplished by security specialists who determine priorities, timeframes, etc. for the completion of projects. Work conforms to overall policies and directives of the Department, Executive Orders, and other agency directives and contacts are maintained with top level agency officials on problems of unusual complexity or sensitivity. JMD represents the Department on various interagency groups and task forces that develop national level security and emergency preparedness policies.

The EEO objectives are implemented through a network of affirmative action managers, EEO counselors, investigators, special emphasis program managers, volunteer representatives, and EEO Officers who are assigned full and part-time throughout the Department both at headquarters and in the field.

Accomplishments and Workload:

Item	Actual 1984	Actual 1985	Estimates 1986	Estimates 1987
Internal audits	31	31	34	36
Operating plans reviewed and prepared	199	200	200	200
Small purchase actions	7,040	7,500	7,500	7,500
Vouchers processed	160,550	175,000	175,000	175,000
Personnel actions processed	18,475	20,000	20,000	20,000
Background investigations reviewed	3,279	3,700	3,700	3,700
Obligation documents processed	98,150	99,000	110,000	110,000
Mail delivered and picked up	4,325,000	4,095,000	4,231,000	4,431,000

Accomplishments.

- Provided guidance to the Bureau of Prisons in the implementation of its revised Personnel Security Program policy which includes position sensitivity designation and investigative requirements.

- Completed major portions of construction at the "Site Charlie" Emergency Relocation Facility and exercised the "Charlie" Team concept in a major emergency preparedness exercise.

- Provided support to the Immigration and Naturalization Service (I&NS) in the development of I&NS plans to implement a Mass Immigration Emergency Plan (MIEP) in Southern Florida and to enhance law enforcement at specific problem areas along the U.S. border.

- In the area of ADP audit, the Audit Staff recently completed an audit of the Department of Justice central payroll system's procedures, practices, and controls. This fiscal year, the Audit Staff will review the Department's various systems design and development processes and the Criminal Division's automated Fraud and Corruption Tracking System (FACT). Thirteen microcomputers have been purchased, providing us with the capability of performing computer audits on site. In addition, several of our regional auditors have undergone an intensive ADP training program designed to develop their ability to test data maintained on computer files. This training program has been supplemented by the establishment of an internal Audit Staff group designed to promote the sharing of new ideas, developments, and solutions to computer auditing problems. This combination of training and computer equipment will allow the Audit Staff to fulfill its ADP audit oversight objective.

- Revised the Merit Promotion Plan for the OBDs, the first revision since 1972.

- Contracted with a private vendor to provide four full-time contract employees to prepare mail for dispatch to satellite buildings and pick up and deliver mail to organizational components located on the sixth floor, Main Justice Building. This contract service has permitted Mail Management Processing Section to maintain current service standards without an increase in full-time permanent positions.

- Implemented a mechanical mail sorting system in the central mailroom. This system has reduced the sorting time for incoming mail and allowed present staff to meet a five percent increase in mail volume handling without an increase in personnel.

- Automated the maintenance of postal cost data for OBD's employee locator lists, and costs for special messenger services. Introduction of state-of-art technology in these areas has improved the accuracy level.

- Reduced Department BTU/GSF energy consumption in buildings by 16 percent.

- Increased silver recovery from used photographic film and solutions from 12 percent in Fiscal Year 1979 to 99.4 percent in 1984, with a corresponding increase in value of silver recovered from $4,400 to over $114,000.

- Planned, organized and initiated a project to develop a Department of Justice single integrated Financial and Administrative Management Information System.

- Organized and implemented a department-wide financial accounting working group to facilitate timely and effective development of financial management policies and plan the integration of all Department of Justice financial management systems.

- Through the acquisition of Personal Computers (PC's), the staff was able to transmit and receive timely and pertinent budget and financial data to and from OMB in the development of the President's Budget and to the Department's Financial Management Information System in the development and analysis of monthly resource reports. Further automation efforts have allowed the staff to substantially reduce the time required in the instantaneous verification of supportive tabular material, increase productivity through "spreadsheet" software in developing budgetary projections and to produce graphic representations of resource usage in support of analysis and development of budgetary requests.

- Monitored the expansion of the U.S. Attorney's PROMIS system and the Bureau of Prisons' SENTRY system. Continues to assist the FBI in the development of its acquisition strategy for the Field Office Information Management System (FOIMS), and the Automated Identification Division System (AIDS III) acquisition, with significant personnel resources committed to participation in the AIDS III procurement effort.

- Provided guidance to the U.S. Trustees, Executive Office for Immigration Review, and the U.S. Marshals regarding pilot efforts to select appropriate agency-wide technology support systems. Such guidance included the criteria for establishing and evaluating pilot activities and an approach for using findings in their AIS plans.

- Conducted a study of the individual case management systems of the legal divisions in preparation for designing, developing, and implementing a new departmental system based on a prototype system developed at the FBI. In addition, cost estimates and requisite resource requirements have been devised in anticipation of the requirements to implement this new system. The new departmental case management system will be responsive to and serve the needs of top management. The new case management system should enable top management to respond adequately and accurately to Congressional inquiries, the General Accounting Office, and the Office of Management and Budget.

Program Changes

This level of funding will provide for $500,000 to develop a Departmental Case Management System utilizing the FBI's prototype. The mandate to develop an improved Departmental Case Management System is one of the Department's initiatives for the President's Management Improvement Program. On March 25, 1983, the General Accounting Office (GAO) reported their views on the Department of Justice's case management system to the Attorney General and the Congress. In summary, GAO found that the existing system "does not meet Departmental management or Congressional information needs". Using the FBI's prototype, a case management system will be developed to incorporate all the caseload of the legal divisions and the U.S. Attorneys. Implementation of the system will provide: (1) accurate aggregate information on cases and matters; (2) a summary

of resource utilization for cases and matters; (3) a summary of information regarding the implementation of departmental priorities; (4) summary projections of resource requirements (case weighing); (5) information regarding the stage of case proceedings; (6) accurate accounting for accounts receivable; and (7) operational management information.

This level of funding will provide for 10 positions, 10 FTE, and $3,994,000 to continue development of the Financial Administrative Management Information System and Human Resources Management Information System. In FY 1984, the Justice Management Division embarked on a critical administrative systems initiative to redesign and modernize the Financial, Administrative, and Human Resources Systems for the entire Department. These systems initiatives underway in the Justice Management Division, are prerequisite to enable this Department to achieve several of the management reforms and real cost savings outlined by the Administration in Reform 88 and in the OMB publication, "Management of the United States Government Fiscal Year 1986". The Department needs to make a significant investment in retooling its support systems to operate an efficient, effective and businesslike administrative operation. The existing administrative systems are impediments to sound businesslike management. Financial management information in the Department is not standardized, is untimely, and lacks integrity. In December of 1984, the Attorney General reported to the President and the Congress that the Department's financial systems, taken as a whole, do not conform to accounting principles and standards nor do they meet the internal control requirements of OMB Circular A-123, or the accounting objectives and policies of OMB A-127.

FAMIS has significant Reform 88 relevance. There are currently seven distinct financial management systems (FMS) in the Department These seven are comprised of at least four system components in each bureau (accounting, budgeting, property and purchasing). Accordingly, there are at least 28 FMS components with varying degrees of integration, virtually no standardization, and use of multiple levels of technology which are in need of upgrade. These are the administrative systems of the Department most in need of upgrade. This overhaul is the prerequisite to achieving a state of businesslike administrative operations. It should be noted that the status of the Department's systems is indiciative of a government-wide problem which OMB is addressing. The focal point of the OMB policy on this proble is Circular A-127 (Financial Management Systems) issued in December of 1984. The policy calls for each agency to develop a single integrated Financial Management System (FMS). The OMB policy outlines five objectives for FMS's. These objectives address systems operation, system integrity, support for budgets, support for management and full financial disclosure. The Department's complex of 28 subsystems is severely deficient when measured against these objectives. The Department has implemented this policy by establishing a policy directive which outlines the FMS planning process. Following this formal planning process, the Department submitted its first five year plan for a single integrated FMS to OMB with its 1987 funding estimates.

The methodologies and tools being employed by FAMIS are state of the art. The Computer Assisted Software Engineering (CASE) system used by the FAMIS project has been demonstrated to other federal agencies and was recently acquired by the Department of Transportation and the International Monetary Fund as a result of our demonstrations. Both the General Accounting Office and the Joint Financial Management Improvement Program have complemented the FAMIS project and expressed interest in its further progress. Additionally, we have continued to initiate contacts with OMB to demonstrate our interest in keeping viable the Government-wide development effort for Financial Management Systems. Once developed, this system will be transferrable to other federal agencies.

Opportunities for cost savings are greatest in systems which combine consolidation of administrative services with the use of current automated support technology. This is the underlying concept of Reform 88 and A-127; it is also the foundation\concept of the FAMIS project.

Under the present decentralized support systems it would be very difficult, if not impossible, to undertake such cost saving initiatives as consolidation of services, such as administrative payments or accounting, as has been done in the Department of Agriculture.

The FAMIS plan is to develop a Departmental working prototype to support 25 of the 31 DOJ organizations. These organizations encompass the vast majority of functions required by any fully integrated FMS. The system will then be expanded to each bureau through a careful conversion plan to minimize disruption of operations. The plan will allow for careful consideration of options for consolidation of administrative operations to achieve the economies of scale cited in the Reform 88 program.

As bureau conversion occurs, additional cost savings will be realized by eliminating redundant systems maintenance. For example, when a new requirement mandates systems change (examples include the Prompt Pay Act of 1982, the Tax Equity and Fiscal Responsibility Act of 1982, and Treasury requirements for Electronic Funds Transfer, etc.) the system change must be analyzed, defined, developed, and implemented at least seven times within the Department's current systems.

Major changes and investments in administrative systems are absolutely required for the Department to reform its administrative and management activities. The investment necessary to overhaul these old systems is one of two prerequisites to achieve the goal of Departmental administrative management reform.

The Attorney General's Departmental Review Board and the Departmental Financial Management Systems Steering Committee have strongly endorsed these system reforms.

General Statement

Mr. Dwyer. It is a pleasure to welcome back to the committee today the Assistant Attorney General for Administration, W. Lawrence Wallace.

Mr. Wallace, you may proceed with your statement and at your own pace.

Mr. Wallace. Thank you, Mr. Chairman.

I appreciate the opportunity to appear before you in support of the General Administration appropriation request. The Department is requesting for the General Administration appropriation $73,708,000 to fund 1,021 positions and 1,099 workyears. This request represents a reduction of 11 positions and 5 workyears, and an increase of $2,908,000.

JMD ACCOMPLISHMENTS

Before I proceed—because the Justice Management Division (JMD) consumes the lion's share of the General Administration account—please permit me to highlight a few of our recent accomplishments.

JMD provides staff support to the Department Resources Board (DRB) which was created by the Attorney General last year to assist him in managing and directing the Department.

JMD completed the comprehensive requirements analysis for the prototype Financial Management Information System (FAMIS) incorporating all the requirements of the procurement, property, budget, and accounting disciplines. This will provide the first functionally integrated financial management system for the Department.

JMD embarked on a joint office automation effort with the offices, boards, and divisions which will result in consolidated acquisition and implementation of office automation systems with attendant economic and operational advantages.

JMD established a Department of Justice management and productivity improvement plan aimed at achieving the Attorney General's management and productivity goals.

JMD implemented a comprehensive travel management program using the Diners Club Credit Card, the Citicorp Travelers Checks Plan, and nationwide Department of Justice Travel Management Center. The benefits of the program include improved cash management, savings in administrative costs, simplification of the reimbursement process, and elimination of personnel assigned to travel functions. Travel advances for the offices, boards, and divisions were reduced by almost two thirds last year. Also, the use of Government Transportation Requests (GTRs) was reduced by over 75 percent.

JMD linked the internal control review program mandated by the Federal Managers' Financial Integrity Act (FMFIA) to budget formulation and execution to ensure that component managers understand the importance of preventing waste, loss, unauthorized use, and misappropriation and the relationship of FMFIA's requirements to the budget and resource expenditure process.

JMD took the lead in informing the Department's policy level of the probable effects of Gramm-Rudman-Hollings legislation on the

Department and identified the means to reduce expenditures in 1986 to avoid significant negative effects in program delivery and on Federal employees.

JMD took the lead in significantly aiding the new Department Resources Board in revising and streamlining the Department's internal planning and budget process. We are continuing these efforts as we plan for our internal 1988 planning and budget cycle.

INCREASE REQUESTS

With the exception of JMD, the 1987 request provides for a current services level for all organizations within the General Administration appropriation. The request, however, reflects three major changes in the following areas.

Executive Office for Immigration Review. The 1986 Conference Bill included $615,000 and 32 positions for additional immigration judges and staff for the Oakdale, Louisiana alien detention facility. The 1987 request includes uncontrollable increases of $895,000 to annualize the 32 positions approved in 1986.

Management and Administration. The 1987 estimate includes an across-the-board management and productivity improvement reduction in the Justice Management Division of 21 positions and $635,000.

Automated Administrative Support System. The request includes 10 positions and $3,994,000 to continue implementation of the Financial and Administrative Management Information System (FAMIS); and $500,000 to develop a Departmental Case Management System utilizing the FBI's prototype. FAMIS is the integration of four separate departmental systems—accounting, budgeting, property management and procurement—into a single data base. In response to the OMB direction, FAMIS will be a prototype which could be expanded into a departmental financial management system.

That is a brief summary of our request. I will be happy to respond to any questions that you and other members of the subcommittee may have regarding our request.

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT

Mr. DWYER. I understand that $3,044,000 was sequestered from your appropriation for FY 1986. What impact will that reduction have on your operations in Fiscal Year 1986?

Mr. WALLACE. As we have across the Department, we are seeking to save those resources out of whatever discretionary spending we could reduce in the Division. We are currently instituting such measures as deferred hiring, reduction in travel, reduction in training, reduction in other discretionary areas where appropriate, and spreading out equipment or other purchases which can be spread out into other fiscal years or later periods.

Mr. DWYER. At the present time, do you expect to impose a furlough or a reduction in your force?

Mr. WALLACE. No. Our current estimates indicate that we can come in within the expected Gramm-Rudman-Hollings reductions without utilization of reductions in force or furloughs.

Administrative Review and Appeals

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	298	327	$15,959
Uncontrollable increases:			
Annualization of positions approved in 1986	...	16	895
Within-grade increases	...	...	85
Health benefits costs	...	...	10
GSA rent	...	...	462
Postal Costs	...	...	3
Telephone system line charges	...	...	1
Department printing	...	...	3
GPO printing costs	...	...	1
General pricing level adjustment	...	...	180
Total uncontrollable increases	...	16	1,640
Decreases (automatic non-policy):			
FTS decrease	...	...	-1
Total decreases	...	...	-1
1987 base	298	343	17,598

Estimates by budget activity/program	1985 Actual			1986 Appropriation			Base for 1987			1987 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
2. Administrative Review and Appeals	266	259	$14,523	298	327	$15,959	298	343	$17,598	298	343	$17,598	...	...	...

Administrative Review and Appeals

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Administrative Review and Appeals	1986 Appropriation			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Pardon Attorney.....	8	9	$500	8	9	$526	8	9	$526	...	...	...
Executive Office for Immigration Review.....	290	318	15,459	290	334	17,072	290	334	17,072	...	...	...
Total.....	298	327	15,959	298	343	17,598	298	343	17,598	...	...	...

Long-Range Goal. To provide a uniform interpretation and application of immigration law, and to provide the President with the necessary advice to enable the informed exercise of his pardoning authority.

Major Objectives.

To expedite all immigration cases for which EOIR is responsible while ensuring fair treatment for all parties involved.

To evaluate, manage and expedite the processing of the steadily increasing caseload receipts and reduce the existing backlog.

To automate, wherever feasible, the functions of the Immigration Judges particularly in the areas of case docketing, collection of workload statistics, and performing legal research.

To increase productivity by streamlining procedures and implementing management improvements.

To receive, process and investigate all clemency applications.

To prepare the Deputy Attorney General's recommendations of clemency to the President.

Base Program Description. The Executive Office for Immigration Review (EOIR) was created January 1, 1983, through an internal Department of Justice reorganization which combined the Immigration Judge function previously performed by the employees of the Immigration and Naturalization Service (INS) with the Board of Immigration Appeals (BIA). As a result of the reorganization, EOIR is comprised of three major entities: the Office of the Director, the Immigration Judges, and the Board of Immigration Appeals.

The following provides more detailed information on the responsibilities of each of these entities:

1. Office of the Director - EOIR is headed by a Director who is responsible for the general supervision of the BIA and the Office of the Chief Immigration Judge in the execution of their duties in accordance with 8 CFR Part 3. The Director exercises the authority delegated by the Attorney General and represents the position and policies of the EOIR to the Attorney General, the Deputy Attorney General, members of Congress and other governmental bodies, the press, the bar and private groups interested in immigration matters. The Administrative Services Unit supports the Director by providing necessary procurement, facilities, personnel, budget and related administrative matters for the BIA and the Office of the Chief Immigration Judge. The direction, supervision and final action in these matters, along with the operation and management of the EOIR rests with the Director.

2. Office of the Chief Immigration Judge - It is the responsibility of the Chief Immigration Judge to provide overall program direction, articulate policy and establish priorities for the 60 Immigration Judges located in 23 field offices throughout the United States. Generally, Immigration Judges hold hearings to determine the status of an alien. Exclusion hearings are held when aliens are believed by the examining inspector at the port of entry to be inadmissible to the United States. The Immigration Judges's order may admit or exclude the alien, or permit withdrawal of the application for admission. Deportation hearings are held in cases where an alien's status is challenged after entry into the United States. The Immigration Judge may order the alien deported; grant relief from deportation such as voluntary departure, suspension of deportation, registry, adjustment of status, political asylum or waiver of deportability; or, if the Immigration Judge decides that deportability has not been established, terminate the proceedings. Bond redetermination hearings are held when an alien in custody seeks release on his/her own recognizance or a reduction in the amount of the bond.

3. Board of Immigration Appeals - Under the Direction of the Chairman, the Board hears appeals from decisions of Immigration Judges and certain decision of INS officers in a wide variety of proceedings in which the Government of the United States is one party and the other party is either an alien, or a citizen or a business firm. The Board is directed to exercise its independent judgment in hearing appeals for the Attorney General and provides a nationally uniform application of the immigration laws, both in terms of the interpretation of the law and the exercise of the significant discretion vested in the Attorney General. The majority of cases before the Board involve appeals from orders of Immigration Judges entered in deportation and exclusion proceedings. The appeals from decision of INS officers reviewed by the Board principally involve appeals from familial visa petition denials and decisions involving

administrative fines. The Board also renders decisions on applications by organizations that have requested permission to practice before the Board, the Immigration Judges, and the Service, and renders decisions on individual applications by employees of such organizations. The statutory authority for the program is contained in Section 103 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1103). The Attorney General had delegated certain of his powers to the Board in 8 CFR 3.1.

Office of the Pardon Attorney - The President exercises the pardon power, conferred on him by Article II, Section 2, Clause 1 of the Constitution, upon formal application and the recommendation of the Deputy Attorney General, who has been delegated this function by the Attorney General. The Office of the Pardon Attorney (OPA) assists the Deputy Attorney General in providing whatever information is deemed necessary and desirable to make a fair and informed decision in each case. OPA is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters.

There are two major forms of Executive clemency, pardon after completion of sentence and commutation of sentence. Remission of fine and reprieve are less common forms of clemency. The pardon process commences with the submission of a formal petition addressed to the President, together with a personal oath and three character affidavits, requesting a pardon. A comprehensive financial statement also is required of those petitioners seeking a remission of fine. Upon receipt, the petition is docketed, subject to a preliminary review for completeness and compliance with existing rules, and an acknowledgement and/or request for further information is sent to the petitioner or his attorney. Pardon applications customarily are referred to the Federal Bureau of Investigation (FBI) to conduct a background investigation, the scope and duration of which may vary in each case. Review of petitions seeking a commutation of sentence initially is limited to relevant Bureau of Prisons and presentence reports. Following the receipt of the FBI investigative reports or, in commutation cases, the relevant inmate files, the Pardon Attorney reviews the reports to determine whether favorable consideration may be warranted. If further consideration is deemed appropriate, memoranda are prepared soliciting comments and recommendations from the sentencing judge and United States Attorney. These officials are generally given 60 days within which to reply. Other concerned Government agencies may be consulted depending on the nature of the case (e.g., Internal Revenue Service in tax evasion cases, Department of Defense in military cases, Criminal Division, or the appropriate Strike Force Chief in cases involving suspected organized crime figures or former Department of Justice attorneys, and the Drug Enforcement Administration in narcotics law violation cases). In addition, the views of the Director, Bureau of Prisons, customarily are obtained before the commutation of an inmate's sentence is recommended.

Accomplishments and Workload:

PARDON ATTORNEY

	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Cases:				
Grants of pardon	45	32	75	75
Grants of commutation	7	3	5	5
Denials and no actions	344	248	350	350
Correspondence sent out	14,720	12,608	15,000	15,000

	1985 Actual	1986 Estimate	1987 Estimate
Appeals, motions, hearings and petitions pending, beginning of year	740	1,781	3,203
Received	4,911	5,911	5,911
Terminated	3,870	4,489	4,758
Pending, end of year	1,781	3,203	4,356

Accomplishments. For 1984, the Board received 2,898 cases and entered orders in 3,339 cases. Annual receipts for 1985 were 4,911 cases and 3,870 decisions rendered leaving a pending backlog of 1,781 cases at the beginning of 1986.

Since 1983 and continuing in fiscal years 1984, 1985, and 1986, the Office of the Chief Immigration Judge has proceeded with the implementation of several management initiatives and improvements. These improvements, designed to ensure the fair treatment of parties to immigration court hearings, expedite case processing, standardize field office operations, streamline the hearing process and facilitate management control, include the following: the implementation of a manual information system which standardizes procedures involving the collection and reporting of workload data; the design and implementation of a uniform docket system which defines office and case processing procedures and enables EOIR to control hearing calendars; the drafting and preparation for publication in the Federal Register of Rules of Procedure which will codify the procedures to be followed by the participants in immigration court hearings; the development of a nationwide contract for transcription services; the acquisition of automated Western Union services to expedite the sending of notices to affected parties; the development of a nationwide contract for interpreter services; the completion of an Immigration Judge benchbook; and the design of EOIR's nationwide ADP system, which began implementation during the third quarter of 1985. During 1985, EOIR's Automated System was implemented in its Miami, El Paso, and Washington, D.C. field offices.

In recognition of the importance of continuation education for Immigration Judges, EOIR conducted, in 1983, 1984,and 1985, three highly successful Immigration Judges Conferences. This annual event assembles the entire corp of Immigration Judges for training in developing immigration law, innovative methods and procedures which increase productivity, the review of EOIR's Uniform Docketing System, and the Automated Data System as well as other management initiatives. In addition to the important exchange of ideas, and information, judges attended sessions conducted by representatives of EOIR management, the State Department, INS, judicial caseload management experts, and the private bar designed to inform them on current trends and developments affecting their judicial function. Further, in 1983, EOIR conducted, in conjunction with the Attorney General's Advocacy Institute, a one-week training course for new Immigration Judges. This concentrated training effort was continued in 1984 and will become a permanent fixture of EOIR's overall program. In October 1985, all of EOIR's management officers attended a three day conference designed to address all areas of office administation and recent EOIR management initiatives. Planning for these conferences required considerable staff time and close coordination with participants outside EOIR to ensure success.

In furtherance of its organizational goals, EOIR has continued to meet regularly with top level INS representatives, members of the private bar and volunteer organizations. The liaison with INS is of particular importance to coordinate program direction, planning and resource allocation.

The Office of the Director commenced a rigorous staffing effort in 1983 to fill vacancies throughout the country. From January 1983 through September 1983, EOIR successfully completed 89 hiring actions to bring the total number of full-time and other than full-time permanent employees on board to 219. Hiring actions for 1984 totalled 100, including eight new Immigration Judges, bringing the number on-board employees to 248. Hiring actions for 1985 totalled 98, bringing the number of on-board employees to 266. Of these new hires, seven were Immigration Judges, most of whom were hired from outside the Department and whose experience include judgeships at the state and local level.

In the area of contracting and procurement, the ASU provided support to the Office of the Chief Immigration Judge in its efforts to implement an automated information system. In addition, this program was responsible for preparing appropriate documents and coordinating with the Justice Management Division to contract with the Western Union Company for use of their electronic mail facility. That capacity currently exists in 18 cities.

Beginning in 1985 and continuing into 1986, EOIR is utilizing a private sector vendor to provide interpreters at all Immigration Judge hearings where such services are required. This contract required extensive EOIR staff time and close coordination within EOIR and JMD.

Effective mid-1984, EOIR has used outside contractors to transcribe tapes of Immigration Judge proceedings. Before this service could be contracted for, EOIR spent substantial staff time providing all necessary justification and required paperwork EOIR's contract specialist worked closely with the Office of the Chief Immigration Judge and JMD to ensure that all needs were identified and subsequently made an integral part of the resulting contract.

The Office of the Pardon Attorney (OPA) processes a very large caseload and a growing correspondence workload with a relatively small staff of attorneys and administrative support personnel. During 1984 OPA received 289 pardon petitions and 158 commutation petitions. The President granted 37 pardons and commuted the sentences of five individuals. Of 1,003 petitions available for consideration during the fiscal year, 326 were denied or administratively closed. During the year OPA received a total of 13,383 pieces of correspondence, reports and memoranda, and mailed out 14,553 items, including responses to 286 Congressional inquiries and to 829 White House and special referrals. During fiscal 1985 (as of July 31) OPA processed 32 grants of pardon, three grants of commutation and handled 248 petitions which, after careful investigation, necessitated denials or no further action. In addition, OPA sent out 12,608 items of correspondence, reports and memoranda, a significant volume of which (924 pieces) was addressed to the White House or the Congress.

In support of the President's goal of improving the criminal justice system, the Pardon Attorney, relying principally upon the improved information base provided by more detailed application forms used by pardon applicants, has reduced the number of costly background investigations which customarily are conducted by the FBI in pardon cases. In addition, the Pardon Attorney, in consultation with the Deputy Attorney General, has taken a more exacting approach in determining the worthiness of applicants for clemency than generally prevailed in the past. This has entailed a more careful screening of applicants and more thorough background investigations, as well as the application of stricter standards for granting clemency.

REPROGRAMMING REQUIRED BY SEQUESTRATION

Mr. DWYER. How about reprogramming?

Mr. WALLACE. Reprogramming is possible in a couple of accounts, but it is really, at this point, too early to specifically predict.

In the cases where it would appear that reprogramming might be required, we have asked those managers to take an exceptionally hard look at current expenditure patterns and to see if they can't come in without leaning on something in someone else's area in order to avoid shifting resources around in the Department.

We are trying to live up to the congressional intent of everyone carrying their fair share of the Gramm-Rudman load to avoid that. Now, if it gets to the point where we feel we cannot survive without reprogramming, we will notify the committee.

Mr. DWYER. I see in the statement where the JMD took a lead in informing the Department at the policy level of probable effects of Gramm-Rudman. You heard the previous testimony. They apparently are coming in for a reprogramming. Without a reprogramming, there is disaster in the Federal Prison System, based on the testimony I just heard. Was this part of your survey that was made back to the Attorney General?

Mr. WALLACE. Yes, sir.

As Mr. Carlson indicated in his testimony, there was no contact prior to the passage of the legislation between the policy level at the Department and the policy level in the Bureau. There were, as I understand it, some staff level discussions even prior to the passage of the legislation.

Early in January, after the passage of the legislation, we did pull together the Departmental Resources Board and informed them as to what the probable effects would be on various components within the Department. Immediately, we were asked by the Deputy Attorney General and the Resources Board to call together all of the components who had indicated that there might be some need to do reprogramming based on the 4.3 percent reduction.

And if my memory serves me correctly, I believe that the Federal Prison System and Mr. Carlson was the first agency that we called in, because that was where the most severe potential impact was. We discussed the particular types of alternatives that might be available to him and asked him, along with his staff, to prepare a reprogramming request. I know it is the case that it was the first reprogramming that came back in for us to process through the system and get to the Hill.

And so, we were aware of it. We did address it very soon after the passage of the Act, and it is likely that the reprogramming request will reach the Hill soon.

EFFECT OF SEQUESTRATION IN 1987

Mr. DWYER. I guess I just want to hop ahead, if I might, to the next fiscal year. Given my readings of the discussion of the President's budget in the Senate the other day, it looks like it doesn't meet its Gramm-Rudman deficit reductions by $16 to $17 billion, as I recollect. What do you anticipate happening next year? Was that taken into consideration when you were making your policy recommendation on Gramm-Rudman?

Mr. WALLACE. With regard to the 1987 budget as it is proposed for this appropriation and the Department as a whole, law enforcement and related activities were considered a very high priority by the President. In terms of the additional need to make up larger deficits if they are now projected—these were not taken into account when this proposal was made. If that burden is shared across the government, it would have an impact on the Department and this appropriation, but we currently believe that this is the right amount and level to proceed with for the Department.

But if future circumstances dictate, we will certainly take another look at it and revise our predictions.

Mr. DWYER. You don't have to volunteer to take a look at it. You are going to be forced to take a look at it under the Federal statutes. What I am trying to find out is what do you anticipate happening? I suppose what I am really trying to find out, do you have some grand plan afoot to avoid this all, come September or October?

Mr. WALLACE. The biggest part of the grand strategy as it began was to encourage the Congress to the greatest extent possible to adopt the President's budget. And as we understood it when we put this budget together, it would meet the targets. There would not be a necessity in the next fiscal year for all of this sequestration, etc.

To the extent that the Congress or others disagree with specific items in the President's budget, we are hoping that appropriate trade-offs between programs could be made so that the target would still be met. If that is not going to happen, we will have to go back to the drawing board.

AUTHORIZATION

Mr. DWYER. That is not going to happen based on what took place at the Finance Committee level across the hall. How much of your 1987 budget request for the Department of Justice requires authorization?

Mr. WALLACE. Almost all of it. I guess there are a few programs like the Crime Victim Fund, the Asset Forfeiture Fund, and others that are authorized by other substantive legislation.

I can supply a specific figure, but almost all——

Mr. DWYER. That is our understanding, but we want that on the record.

[The following information was submitted:]

Authorization request

	Authorization amounts
General Administration	73,708
U.S. Parole Commission	10,420
General Legal Activities	[1] 634,108*
Foreign Claims Settlement Commission	596
U.S. Marshals Service	176,759
Oversight of Bankruptcy Cases	11,663
Support of U.S. Prisoners	58,180
Fees and Expenses of Witnesses	34,676
Community Relations Service	32,009
Federal Bureau of Investigation	1,278,410
Drug Enforcement Administration	411,329
Immigration and Naturalization Service	609,393

	Authorization amounts
Federal Prison System:	
Salaries and Expenses	598,807
National Institute of Corrections	9,495
Building and Facilities	159,152
Department of Justice	4,098,705

[1] Includes antitrust.

AUTHORIZATION BILL

Mr. DWYER. Have you submitted a request for authorization to the Congress, and what is its status, if so?

Mr. WALLACE. We have not. The Department has finished its review and it should be working its way through the Administration. It is hopefully doing that right this minute. The Attorney General will be testifying before the authorizing committee in the House this Wednesday.

Mr. DWYER. You haven't had an authorization bill enacted since 1980. What are your prospects this year?

Mr. WALLACE. More favorable than in some recent years where we did not get it, but given the lack of control after the Department submits it to the Congress, I am reluctant to predict what the Congress will do with it and how soon they will be able to enact it.

We are very upbeat this year about our authorization. In addition to trying to get it through the process a little bit earlier this year. I believe last year, for example, it was submitted to the Congress in May, and I believe the year before it was also submitted in May.

We expect it to be submitted in March this year. Beyond that we have tried to streamline the process and to reduce redundancies in the bill itself, to organize it along a different pattern so it is understandable and readable by laypersons.

We have also reduced the need to include new issues or new things in it that the Congress might not have seen before, I predict that the authorization bill that comes to the Congress this year will be very similar in substance to what we have seen in the past and will certainly track in almost every regard this appropriation request.

MANAGEMENT SAVINGS

Mr. DWYER. On page 13 of the justifications, you are showing a reduction of 21 positions and $635,000. What positions will be eliminated, how are you going to effect a reduction, and what impact will this reduction have on the activities of the Justice Management Division?

Mr. WALLACE. Starting with the last part of your question, we do not expect that reduction to have any negative impact on the Department of Justice or the Justice Management Division activities. We will accomplish that reduction through attrition and not through any reduction in force or other adverse action on Federal employees.

Finally, with regard to what particular positions, it will be the ones that leave first, except for certain designated areas that we chose to be considered critical where we are not taking any reduc-

tion. These areas include the Audit Staff, because we feel our responsibilities are significant so far as fraud, waste and abuse are concerned. Additionally, the Security Staff has a workload in new classified security act cases, and with regard to a new classified project which the Department will have to undertake in 1987. Therefore, we exempted those areas and set them aside. There will be 21 positions to attrit that relate to activities where we expect to have productivity gains, for example, the new accounting system or other automated or management improvements.

It basically amounts to about a 5 percent reduction in the Justice Management Division across the board, setting aside a few of those areas I mentioned and maybe one or two others.

DEPARTMENTAL CASE MANAGEMENT SYSTEM

Mr. DWYER. On page 39, your are requesting an increase of $500,000 to develop a departmental case management system to respond to the information needs of top management of the Department, OMB and the Congress. When is this system scheduled for implementation, and when will information be available to Congress concerning cases in litigation?

Mr. WALLACE. I think the current predictions on completion of the system are somewhere in Fiscal Year 1988 or 1989.

In terms of the beginnings of the system, we have already started with what resources we could allocate in that direction right now.

This request includes the half million dollars for us in the Justice Management Division for central department functions, and there is also a request in the General Legal Activities budget of $10 million for the litigating divisions and the U.S. Attorneys that relates to this General Administration money.

I think we find ourselves at a unique point of benefit and opportunity here, because the Department, for some time, as I am sure you are aware—has been unsuccessful in getting the resources to develop an effective case management system across the board. The results to date have been fairly uneven among the litigating divisions and the U.S. Attorneys, and there exists some incompatibility of systems and data.

This money, on a centralized basis, and the fact that other components will have to put data into it, will tend to reduce these discrepancies toward zero, and we hope to get reportable data as early as April 1987.

Mr. DWYER. Will this system be integrated with other systems in the Department such as the fraud and corruption tracking system?

Mr. WALLACE. We expect it to be integrated in a form where all of the legal workload would flow into this system. In terms of the particular system that you refer to, we have had some recent audit findings with regard to that particular system which we are looking at so that we can decide how to incorporate what exists now into this bigger system. We are not certain. It will require further review.

But either its replacement or some mechanism within an integrated system would need to capture that same type of data.

CONTRACTED OUT SERVICES

Mr. DWYER. Do you contract out for any services or reviews or studies, things of that nature?

Mr. WALLACE. Yes, we do do some contracting out. For example, we have responsibility now delegated to us from the General Services Administration for the cleaning, housekeeping, and janitorial services in the Main Justice Building. This is a function that, rather than hiring the staff and having to pay all the benefits and other costs, we do contract it out.

And there are some ADP and other functions, where, occasionally the expertise that is necessary is not available readily in the government, and where we can get it on an economical basis from the outside.

Mr. DWYER. Aside from janitorial services, what do you spend a year in contracting for outside service?

Mr. WALLACE. I am not sure on a total basis.

Mr. DWYER. Can you provide that for us?

Mr. WALLACE. I can tell you that approximately 53 percent of the dollars in the Justice Management Division go for staff and related costs, and I would say that we would be hardpressed to verify that 20 percent of our appropriation is contracted out in some form or another.

So, if you take the 1987 budget of $44 or so million dollars for JMD and apply 20 percent to that, we would be somewhere in that range.

Mr. DWYER. That is a sizeable figure, then.

Mr. WALLACE. As a maximum, it is somewhere within that range.

[The following information was submitted:]

Contracting for outside services

[In thousands of dollars]

Service	*Amount*
Research Services	12
Brief Bank—Litigation Notice	50
Case Management	25
Sigma Data—Keying Contract	390
Telesec Service—Shelving	21
Data Bases (Library)	83
Keying Contract	100
Mail/Messenger	270
Shuttlebus service	60
Moving and storage service	53
Transcription Contract	450
Interpreter Contract	671
Western Union Contract	138
Study by Price Waterhouse	300
ADP	205
Total	2,828

FINANCIAL MANAGEMENT INFORMATION SYSTEM

Mr. DWYER. You are requesting an increase of $3,994,000 to develop the financial management information system. The justifications indicate that you intend to develop prototypes of the system and then install prototype subsystems in 25 of the Department's 31

components. Could you be more specific about how this system is going to be developed, which components will have it installed, and why some will not?

Mr. WALLACE. The $3.994 million would provide the funding needed to complete the detailed design stage, the program design stage, and approximately half of the program testing stage of the system's design phase of the project.

The detailed design includes the design of inputs or outputs or reports so as to best meet the user requirements.

Input-output controls and computer controls will also be designed. Detailed specifications of user requirements will also be evaluated.

The program design stage includes the design of the system's architecture and the data base to fit programming needs. Software will be purchased during this stage and then modified to fit departmental needs.

Program logic will be designed and evaluated. Approximately half of the programming testing stage is currently being planned for completion during Fiscal Year 1987. This will include the review of software and programming capabilities, developing flow charts and coding and compiling data.

With regard to applying that to the various components of the Department, we will go into the offices, boards, and divisions first with a few of the major bureaus.

And then after we have expanded across that base—which comprises 25 to maybe as high as 27 of the 31 components—we will seek ways to interface with the rest of the Department, which will probably be talking about the FBI, DEA, and maybe some of the smaller components like the Parole Commission or Foreign Claims Settlement Commission—I think are the four that are left outside the 25 or 27.

Mr. DWYER. You mentioned the design stage and part of the testing stage. What is the total cost of the system projected to be?

Mr. WALLACE. The total cost through fiscal year 1989 would be in the range of about $14 million to $16 million.

Mr. DWYER. Do you think this is a wise decision considering all the uncertainties of Gramm-Rudman?

Mr. WALLACE. Well, in our view, we have had to come to the Congress in this forum, and through the President and the Financial Managers' Integrity Act each year, and have to say to you last year and this year that we cannot certify our accounting system so far as reasonable assurance is concerned with regard to fraud, waste and abuse. And when we, at the Department, are looking at budgets in the $4 billion-plus range, to say that about our accounting system is not a very comfortable thing that the Attorney General or I, as the chief financial officer, are happy to say.

We feel that it is in the overall interest of the Department or the government and the taxpayer to move forward with this system so that we can provide the reasonable assurance as required by the Federal Managers' Financial Integrity Act.

ATTRIBUTES OF FAMIS SYSTEM

Mr. DWYER. What do you have more trouble with: fraud, waste, or abuse?

Mr. WALLACE. Well, it is more in the other term that I used, "reasonable assurance." We are very hopeful that we don't have much fraud, waste or abuse in the Department of Justice. But as an accounting matter, we cannot technically provide reasonable assurance in a CPA sense or in a financial accounting sense that would be sufficient to meet general accounting standards and the General Accounting Office's standards.

So, I think we have received fairly strong pressure from both the Office of Management and Budget, GAO, and certainly those of us in the Department who have to sign off, that these funds are used properly. We need to be able to provide that reasonable assurance. But we don't have any evidence of substantial figures of fraud, waste and abuse occurring within the Department.

Mr. DWYER. What prompted them to ask that you comply with general accounting standards? Was there anything that triggered this?

Mr. WALLACE. The statute, the Federal Managers' Financial Integrity Act, requires that "thou shall" as a Federal manager, and we have to conduct a review every year to indicate that the financial and other systems of each agency are sufficient to protect against fraud, waste and abuse, and to provide reasonable assurance that our accounting standards protect us.

Mr. DWYER. Will there be any cost savings as a result of this system being installed?

Mr. WALLACE. Oh, yes. In the long run, we expect——

Mr. DWYER. Not in these three years that we are talking about?

Mr. WALLACE. Well, not in fiscal year 1987, but depending upon when we reach the stage of actual implementation, the programming and testing and beyond that, we may be able to do such things as reduce the number of clerks that we have currently inputting and outputting data or the number of manual record systems that we have. And there will be uniformity in the system across the board.

So, in the future, for example, it may be possible that when the Congress enacts our budget or enacts a new pay scale for Federal employees, we will have tables that we can just put in a computer in as opposed to doing it 31 separate times, as we do it right now.

So, downstream there are substantial savings available through having this kind of a system and through providing that reasonable assurance that bad things won't happen.

LONG RANGE ADP PLAN

Mr. DWYER. What progress have you made toward completing a long-range ADP plan for the department? Provide that for the record.

[The following information was submitted:]

LONG RANGE ADP PLAN

Initiative 6.1.1, of the Department's interim Management and Productivity Improvement Program, entitled "Management of Automated Information Systems

(AIS) Planning, Development, and Implementation," includes milestones for issuance of a department-level AIS plan. Appendix A-4 of the Program provides the Department of Justice AIS Policy Framework, including policy directions, overarching issues, and assumptions within which the departmental AIS plan will be developed. A copy of each of these documents is attached. The milestones associated with the development of the plan are on schedule.

MANAGEMENT AND PRODUCTIVITY IMPROVEMENT INITIATIVES
FY 1986 - FY 1987

6.1.1 Initiative Title: Management of Automated Information Systems (AIS) Planning, Development, and Implementation.

Component: Justice Management Division

Responsible Official: Julie A. Jones Phone Number: 633-4292

Objective Description: Provide viable mechanisms for the management of automated information systems throughout the Department of Justice to ensure: (1) intradepartmental AIS planning, systems development and maintenance, as appropriate; (2) expanded use of the most cost-effective methods of providing AIS support consistent with programmatic needs; and (3) consistency with related policy established by senior departmental management, the central management agencies, and Congress.

Implementation Strategy and Resources:

a. Strategy: Revise existing departmental AIS policy orders and develop an Information Resource Management policy order, incorporating appropriate planning/policy guidelines from the central management agencies; revise the departmental Automated Information Systems Planning Methodology and reissue to departmental components; develop a formal review mechanism for departmentwide decisions; and prepare a Department-level AIS plan that incorporates those decisions. The soundness of the FY 1987 planning process will be tested during the FY 1988 budget cycle as the basis for senior departmental executives to formulate related management and resource decisions. Following the FY 1988 review, the departmental plan will be finalized and provided to all components for required incorporation of its policies into their respective updated AIS plans. (This will be a reiterative process in the outyears).

b. Implementation Resources: The following resources represent only those of the Systems Policy Staff, and do not include costs associated with review and decisionmaking by senior departmental executives or follow-up implementation within departmental components.

Implementation Resources:	FY 85	FY 86	FY 87	FY 88	FY 89
Budget Authority ($ in thousands)					
Outlays ($ in thousands)		* 88	88	** 125	125
FTEs (workyears)		*1.65	1.65	**2.65	2.65

Milestones:

	Milestone Description	Beginning Date m/d/y	Completion Date Planned m/d/y	Completion Date Actual m/d/y
1.	Publish Organizational Overview	5/85		8/85
2.	Develop framework for departmental AIS plan	9/6/85	10/1/85	
3.	Issue IRM "umbrella" order which references existing policy guidance pertaining to IRM to unify the existing departmental policy of recognizing information as a resource	9/1/85	3/3/86	
4.	Revise AIS policies order (Order DOJ 2830.1C) and AIS planning methodology to "institutionalize" AIS policy guidance issued subsequent to their respective publication dates.	11/1/85	8/1/86	

* These figures consolidate a proportion of the salaries (plus benefits) for seven professionals and one clerical position. The 1.65 FTE, therefore, represents a range of 75% of the time of the project director to 5% of the time of two other professionals.

** We anticipate a requirement of one additional FTE in FY 1988 to address the incremental increase in workload associated with the development and implementation of a departmental plan.

NOTE: Contract resources may also be required in FY 1988 to implement/support those initiatives identified in the Department-wide planning process.

59-584 O—86——41

Milestone Description	Beginning Date m/d/y	Completion Date Planned m/d/y	Completion Date Actual m/d/y
5. Prepare draft Department-level AIS plan incorporating management decisions for use in the Department's information and resource reviews.		10/1/86	
6. Prepare issue paper for Department Resources Board highlighting AIS problems, opportunities. (internal use only.)		10/1/86	
7. Issue Department's final (management approved) AIS plan to components, with instructions to include applicable decisions in their respective plans.	10/15/86	1/31/87	

Performance Measures:

Standard project management techniques will be used to control the schedule, progress, and products of this initiative. A project manager has been assigned and a detailed project schedule developed which identifies key tasks and critical milestones. Senior management reviews will be conducted at strategic points in the project schedule and appropriate direction given to ensure successful project completion. The major performance measure will be approval of milestone products by senior departmental management.

Will the initiative result in any resource savings? There will be no direct savings to the Systems Policy Staff. Savings to be "credited" to other appropriation or fund accounts cannot be measured at this time, but are more likely to result in increased productivity and cost avoidance than in cost savings.

MANAGEMENT AND PRODUCTIVITY IMPROVEMENT INITIATIVES
FY 1986 - FY 1987

6.1.2 Initiative Title: Automated Information Systems Acquisition Approval Process

Component: Justice Management Division

Responsible Official: Director, Evaluation Staff Phone Number: 272-6265

Objective Description: This initiative will improve the Department's oversight process for the acquisition of automated information systems resources by Department components.

Implementation Strategy and Resources:

a. Strategy: The Evaluation Staff conducted a study of the AIS acquisition approval process which determined the timeliness of the approval process and identified the factors which contribute to delays in the process.

Presently the Evaluation Staff is managing a JMD project to revise the present AIS acquisition approval process. The revisions will take advantages of the similarities and expertise of other Department oversight processes, streamline the process and ensure that the process is applied consistent with the responsibilities and the resources of operating units which manage AIS.

b. Implementation Resources:

	FY 1986	
	Workyear	Amount
Evaluation Staff, JMD	.75	$30,000
Other JMD Staffs' representatives (cumulative)	1.0	40,000
* Total	1.75	$70,000

* These are not new funds, but redirected resources currently available within JMD.

AUTOMATED INFORMATION SYSTEMS POLICY FRAMEWORK

FOR THE

DEPARTMENT OF JUSTICE

Prepared by the
Systems Policy Staff
Office of Information Technology
Justice Management Division
October 1983

TABLE OF CONTENTS

Page

Executive Summary..... 1

Section I: Policy Directions

* Institutionalizing a Philosophy of Cooperative Processing..... 2

  - Implementation of a Standards Program..... 2
  - Information Flow Study..... 3
  - Information Management..... 3

* Consolidation of Duplicative Systems..... 3

  - Administrative Systems Consolidation..... 4
  - Joint Office Automation Initiatives..... 4
  - Departmental Case Management System..... 4
  - Shared FBI/DEA Secure Processing Facilities..... 4

* Compatible Automated Systems..... 5

  - Review of Planning Submissions and Acquisition Requests..... 5
  - Improved Hardware Management..... 5
  - Improved Software Management..... 6

* Cost-Effective Voice/Data Telecommunications Strategies..... 6

    - CENTREX Replacement Initiative..... 6

* Use of Contemporary Techniques for Cost Justification of New Applications..... 6

* Enhanced Productivity Through Automation..... 7

Section II: Issues

(1) - The Need for Strong Centralized Management..... 8
(2) - Integration of Information Technologies..... 8
(3) - New Procurement Approaches..... 9
(4) - Telecommunications..... 9
(5) - Recruiting and Retaining Competent Computer Professionals..... 10
(6) - Information Management..... 10

Section III: Assumptions..... 11

EXECUTIVE SUMMARY

The purpose of this framework is to highlight the importance ascribed to an automated information systems (AIS) planning initiative and to describe the aggressive leadership role that Department of Justice senior management intends to undertake in providing AIS policy direction to departmental organizations. This framework outlines the management directions the Department will incorporate into its comprehensive AIS policy/strategy. It forms the basis upon which the Department's consolidated long-range AIS plan will be developed. An AIS policies order (Order DOJ 2830.1C) is already in place under the Information Resources Management (IRM) program. The order sets forth the Department's basic policies for the management of AIS. It will be revised to include additional policies and guidelines for insuring:

- appropriate departmental coordination;

- consolidation of systems development and implementation in common operational areas; and

- utilization of the most cost-effective approaches.

The Department recognizes the importance of managing information as a resource. To this end, the implementation of the IRM program at the Department is currently being finalized. The development of a departmental AIS plan, that includes policies and strategies for coordinated AIS support, will be a significant component in the IRM program.

This document is divided into three sections. Section I outlines the key policy directions toward which the Department will move in the development of its long-range AIS plan. Section II sets forth related issues; and Section III identifies major assumptions which require senior management validation before issuance of the Department AIS plan.

SECTION I. POLICY DIRECTIONS

Several broad-based policy directions will be incorporated in the Department's AIS plan. These include:

1. Institutionalizing a Philosophy of Cooperative Processing;

2. Consolidation of Duplicative Systems;

3. Compatible Automated Systems;

4. Cost-Effective Voice/Data Telecommunications Strategies;

5. Use of Contemporary Techniques for Cost Justification of New Applications; and

6. Enhanced Productivity Through Automation.

The following discussion focuses on how the Department intends to establish guidelines for implementation of these policies, or identifies certain ongoing activities which reflect adherence to already established AIS management principles.

(1.) Institutionalizing a Philosophy of Cooperative Processing.

The Department will move toward institutionalizing a cooperative processing philosophy. Such a philosophy involves the sharing of responsibility among and within Department components for the design of administrative and selected mission support information systems, e.g., the departmental case management system. It also will involve the storage, access and processing of information among those organizations that share a need for common information. The cooperative design and implementation of systems and data bases will be supported by a mix of hardware, software and communications facilities that provide information interchange, powerful host processing, and local computing.

Implementation of a Standards Program. Standards are important to information interchange, to the sharing of technological resources, to the elimination of duplication, and to the building of compatible systems. In the absence of standards, equipment cannot be interconnected, media cannot be exchanged, and information cannot be compared or combined. The establishment of a standards programs is essential to the achievement of these policy goals.

Information Flow Study. The mission-related functions of the Department of Justice impinge upon one another in various ways; they are not completely independent. The intertwining of these missions is reflected in the flow and sharing of information among components. Information is also shared among systems within organizational components. Such interchange and sharing of information is affected by concerns such as privacy and security. Improving information support will enhance interaction among components of the Department. To this end, the Department will undertake a thorough requirements analysis to determine the amount and kinds of information exchanged among departmental organizations and functional areas, e.g., investigative, custodial, enforcement requirements. This study will identify potential opportunities for information sharing and joint system development or consolidation.

Information Management. The Department recognizes that information makes a significant contribution to its activities, and that information must be managed in a systematic manner. Such management goes beyond the traditional focus on software and large capacity processing capability and storage devices. The Department presently lacks comprehensive policies for data management, in addition to appropriate Departmental policies for data standards. These two information management requirements are complementary and will be addressed in parallel.

(2.) Consolidation of Duplicative Systems.

The integration of varied management planning initiatives to a departmental planning cycle will result in a Department-wide review and identification of similar or duplicative systems. This integration will include the requirement that the departmental AIS plan be integrally tied to the Department's Management and Productivity Improvement Program. The Department's AIS planning methodology promotes integration by requiring the identification of new functions as candidates for automation as well as the review of existing systems to determine if they are still functionally supportive of an organization's mission(s). Through review of the organizations' individual AIS plans, certain specific areas have been targeted and will continue to be the focus of the Department's efforts to consolidate duplicative systems. These include:

Administrative Systems Consolidation. The Department has embarked on critical administrative systems initiatives to redesign and modernize the Financial, Administrative, and Human Resources systems for the entire Department. These system initiatives are prerequisites for departmental achievement of several management reforms. Real cost savings are expected to result from more efficient, effective and businesslike administrative operations. Specific projects are underway, including the Human Resources Management Information System and the Financial and Administrative Management Information System.

Joint Office Automation Initiatives. A joint planning and acquisition strategy will be developed by the Department's litigating components to reduce administrative support costs while modernizing office automation capabilities and addressing compatibility requirements. To date, an office automation fund has been established for the litigating divisions for FY 1987. Other opportunities for such cost effective initiatives will be sought. As priority efforts, department management will continue to seek compatibility and potential cost savings to be achieved through volume purchases of specific types of equipment.

Departmental Case Management System. By a charter from the Deputy Attorney General, the FBI has developed a prototype department-wide case management system. The objective of this prototype effort was to demonstrate the functionality of a department-wide system for providing senior management with summary-level case information to meet administrative/management needs, and to respond to Congressional and oversight agency queries. Senior management is playing a key role in directing the establishment of a case management program in the Department. As a result, a departmental case management system will be designed, developed and implemented.

Shared FBI/DEA Secure Processing Facilities. The FBI is currently conducting a Productivity Improvement Program study on the colocation of the DEA's automated data processing and telecommunications equipment within the FBIHQ Computer Center. This colocation will save the DEA from constructing, maintaining, and staffing an independent computer center. Part of the productivity study will determine what savings in resources result from DEA's not operating an independent computer center.

(3.) Compatible Automated Systems.

Through the improved management of technology, the Department will encourage the use of compatible automated systems among the components. Many of the efforts cited above, such as a standards program, consolidation of major administrative systems, and joint acquisition, will reinforce the concept of compatibility. As evidence of early progress in this area, most of the major systems in the Department, such as those operated by the FBI, DEA, INS, and JMD, already use database management systems and fourth generation languages to reduce the cost of software development and maintenance.

Review of Planning Submissions and Acquisition Requests. Through its review of AIS acquisition approval requests, the Justice Management Division can identify proposed acquisitions that lend themselves to the use of software and hardware solutions already implemented in the Department, or which are similar to an existing application that may be shared. The existence of a departmental plan, coupled with a maturing AIS planning process, will focus on such extant solutions prior to an organization's commitment to a unique approach.

A management review of the current acquisition approval process has been completed, and a task force has been assembled to begin implementation of the recommendations associated with the evaluation. These recommendations are geared toward tightening the Department's technical evaluation process and tying the AIS acquisition process more closely to the budget and other planning cycles.

In the future, information related to the review process will be computerized to ensure consistency of review and promote better departmental control.

Improved Hardware Management. In the future, the Department will focus on improved strategies to prevent economic and technical obsolescence of ADP hardware, and to encourage the use of state-of-the-art excess/exchange ADP equipment whenever possible.

The Department's planning methodology and the AIS policies order prescribe the use of life cycle costing methods to promote the replacement of obsolescent equipment in a timely and efficient manner. In addition, a comprehensive departmental inventory of existing equipment will be developed to monitor the use and replacement of such equipment and to encourage the reutilization of excess equipment where applicable.

Improved Software Management. The Department will also develop improved strategies to encourage organizations to take advantage of fourth generation languages, off-the-shelf software, and associated system development techniques. The Department will encourage iterative design techniques, such as prototyping, as ways to reduce the time and cost associated with long system development cycles. One of the goals of improved software management is to reduce the dependency upon in-house developed software; thus, acquisition of commercially available software will be strongly encouraged.

(4.) Cost-Effective Voice/Data Telecommunications Strategies.

Viable telecommunications strategies have become more difficult to identify as a result of recent major changes in the industry and evolving government requirements. The Department will move toward developing a consolidated voice/data telecommunications strategy based on an explicit assessment of needs involving the participation of the users. The goals of these strategies will be to lower costs; to avoid undue risktaking in a dynamic environment; and to provide telecommunications facilities that will yield maximum benefits in the productivity of Department personnel.

CENTREX Replacement Initiative. The Department has an initiative to replace the current CENTREX telephone system. Current advances in telecommunications and office automation have made the CENTREX telephone service unsatisfactory because it is inflexible and costly, and cannot provide the contemporary communications services required by Departmental users. Modern technology provides several alternatives to our current services. This initiative will permit the Department to obtain cost savings and provide management control, while enhancing operational capabilities.

(5.) Use of Contemporary Techniques for Cost Justification of New Applications.

Changes in technology, particularly the growth of end-user computing, has resulted in the need to develop new and effective ways of justifying AIS resources. In the past, organizations have used cost displacement and cost avoidance techniques to justify replacement of efforts such as manual accounting departments. Today, however, justification for end-user computing is based on "soft" savings and improved job performance. The AIS user is confronted with measuring increased job effectiveness against cost outlays. Thus,

personnel productivity is increasingly the key factor in new investment decisions. The Department will investigate alternative methods to quantify and measure productivity. The Department's AIS Planning Methodology will be updated to include guidance on how to determine the most beneficial AIS solution for the organization using such techniques.

(6.) Enhanced Productivity Through Automation.

Through the long-range AIS planning effort, the Department intends to identify additional areas as prime candidates for automation. The planning methodology provides for a structured planning approach that incorporates techniques, such as a functional analysis, to identify possible candidates for automation. Such analysis will result in enhanced productivity through significant cost-avoidance in program areas, and will promote reduction/reallocation of positions where applicable.

SECTION II. ISSUES

Successful implementation of the policy framework outlined here, requires consideration of: (1) the need for strong, centralized AIS management, (2) the integration of information technologies, (3) new procurement approaches, (4) telecommunications, (5) recruiting and retaining competent computer professionals, and (6) information management. Resolution of these issues will ensure a strong, coherent, and internally consistent policy framework upon which the Department's long-range AIS plan will be formulated.

(1.) The Need for Strong Centralized AIS Management.

Effective management of end-user computing will be critical to the success of business and government in the next decade. The personal computer has brought technology out of data processing departments and into the hands of end-users. There is a consequent need for controls, policies, guidelines and standards to prevent the inefficient use of information and the unnecessary proliferation of both hardware and software technology. Toward this end, the Department will develop a Departmentwide AIS plan which will include specific constraints/direction to be followed by all components. This will require decisions on several outstanding issues, including, for example, interim telecommunications; administrative support systems; direction of joint planning activities in functional areas; and consistent approaches to case management and office automation.

(2.) Integration of Information Technologies.

The Department needs to manage technology within the context of an integrated plan, and to promote information sharing whenever appropriate. Management strategies to promote integration will include:

- Cooperative processing ventures to address immediate as well as long-range Departmental needs.
- Policies and standards in the hardware, software, and communications areas to improve compatibility.
- An information systems study to identify opportunities for sharing information among Department components.

- An information systems architecture to specify the relationship between systems and functions where standardized data elements are required.

(3.) New Procurement Approaches.

In the past, the Department pursued a component-based approach to AIS acquisitions. This fragmented approach restricts opportunities for information sharing between Departmental components. The implementation of a structured planning process incorporates both internal and external information flows, the trend toward end-user computing, and the increased pressure from oversight agencies to demonstrate cost savings from automation initiatives, have caused a reassessment of the Department's AIS procurement approach.

In order to save resources and enhance hardware and software compatibility, the Department will explore alternative procurement approaches such as joint acquisitions of micros or office automation equipment. Such methods are cost-effective and also respond to immediate user requirements.

The Department will:

- Investigate alternative acquisition strategies such as joint acquisitions where programmatically, economically and technically feasible, and

- Focus on the need for developing responsive procurement support in the AIS arena.

(4.) Telecommunications.

As discussed in Section I, Policy Directions, (4), a telecommunications network will provide the basis for a cooperative processing environment. For this reason, investment decisions concerning telecommunications become increasingly critical because of recent changes in the industry and related government requirements. The Department will reevaluate and reformulate its interim telecommunications plans to reduce undue risk and uncertainty in the current environment, and to ensure a cost effective approach.

A comprehensive Departmental strategy will address:

- A long-range plan for providing telecommunications support.

- A cost-effective approach for providing interim data communications support.

- A cost-effective strategy for voice communications.

- The varying levels of security required for Departmental networks and cost-effective strategies for providing National Security Information-level secured networks.

(5.) Recruiting and Retaining Competent Computer Professionals.

Inadequate management of information technology results in the loss of tremendous cost savings. Effective management first requires solving the problem of attracting and retaining high-quality ADP personnel at all levels. Concerns in this area include:

- Developing policies and career paths to attract and nurture valuable technical and related management skills;

- Providing funds for adequate training opportunities so that cognizant personnel may keep pace with the rapidly changing technology; and

- Determining the extent to which contract support will be used to provide technical expertise within the Department.

(6.) Information Management.

As computers and information systems become more pervasive in the office environment, we are relying increasingly upon sets of data that may be stored not only in formal systems but also on the diskettes in our offices. The volume of data handled by that technology -- whether it be grand jury transcripts, documentary evidence, criminal investigation materials, alien records, or prison population profiles -- has grown exponentially. To date, the Department has not focused on the management of information. An example of the significance of this has been the long-standing difficulty in comparing and combining caseload data from different components of the Department.

Information Management involves policies and practices for many key aspects of information, such as privacy and security, legal requirements, sharing and reuse, accountability, definition and description, cost, and benefit. Senior management must encourage and support the development of appropriate policies and prescribed practices as well as the establishment of authorities and responsibilities to make them a reality.

SECTION III. ASSUMPTIONS

The following assumptions serve as the basis for the management directions addressed in this framework and subsequent development of the Department's long-range AIS plan.

1. The Justice Management Division will be tasked by the Department Resources Board (DRB), established by the Attorney General on June 14, 1985, to develop the Department AIS plan.

2. The DRB will provide senior management endorsement of the departmental AIS Plan, and will serve as the senior executive monitoring activity to ensure its implementation.

3. The DRB will establish standing or ad hoc committees which will be charged with:

   - addressing intra-Department AIS initiatives;
   - monitoring ongoing projects; and
   - recommending priorities and new opportunities.

4. Existing policies for Information Resources Management (IRM) and Automated Information Systems (AIS) will be referenced within the annual AIS planning call; and any subsequent additional policies/procedures will be published therewith.

5. Since AIS planning is iterative, and must incorporate changes resulting from revisions to the Department's strategic ("business") plan, advances in technology, and Administration/Congressional priorities, AIS tactical plans will consequently reflect year to year modifications.

6. The Department, the Office of Management and Budget, and Congress will approve the resources required to implement the Department AIS planning effort.

ALIEN PAROLEE RELEASE

Mr. DWYER. In 1982, GAO reported that there were serious problems with alien parolees being released to the community pending the outcome of deportation hearings. What action has the Department taken to ensure that immigration judges regularly visit institutions so the alien interviews are conducted before an alien reaches his release date?

Mr. WALLACE. I will have to provide that for the record. But I understand they have addressed that issue, and there is funding included in the budget to allow placement of immigration review staff at, for example, the Oakdale facility, which is being opened in Louisiana.

[The following information was submitted:]

IMMIGRATION JUDGE INTERVIEW

The Executive Office for Immigration Review (EOIR) conducted hearings during FY 1985 for over 700 Mariel Cubans in state and local correctional facilities in 32 states in response to the agreement reached between the United States and Cuba in December 1984. Funding for those hearings was reimbursed by the Community Relations Service. EOIR also has established agreements with any states that have sought to have aliens' deportation or exclusion hearings held prior to their release from state correctional facilities if the State is willing to centralize all incarcerated aliens so that hearings can be held in one location in an efficient and cost effective manner.

QUESTIONS FOR THE RECORD

Mr. DWYER. We have a few more questions that we will give you, and you provide the answers for the record.

[The questions and the answers submitted thereto, follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

DEPARTMENT OVERVIEW

Budget Requests to the Department and to OMB

QUESTION:

Would you provide for the record a list of the individual appropriation accounts for the Department and include for each each, the request that was submitted to the Department, the request that was submitted to OMB, and the request that was submitted to the Congress in the President's budget. Also, please provide the positions requested for each account in each category.

ANSWER:

A table with the required data is provided in attachment A.

Administratively Uncontrollable Overtime

QUESTION:

Please provide for the record a table showing the amount of administratively uncontrollable overtime (AUO) for FY 1985, 1986, and 1987 for each organization in the Department which makes AUO payments.

ANSWER:

A table is provided in attachment B.

General Pricing Level Adjustment

QUESTION:

The Department's budget request reflects an increase of $43,996,000 for general pricing level adjustments. What percentage adjustments do these adjustments represent and does the percentage vary among the different appropriations?

ANSWER:

The Office of Management and Budget provides indices for Federal nonpay purchases, state and local purchases, and construction. The construction index is authorized for the Federal Prison System, Building and Facilities appropriation only.

The only appropriations authorized to use the state and local index are the Fees and Expenses of Witnesses, the Support of Prisoners, the National Institute of Corrections, and the Office of Justice Programs. All other Justice components use the Federal nonpay index. The percentage increases used for each index follow:

Index	1987	1988	1989	1990	1990
Federal nonpay	4.1	3.9	3.4	2.9	2.3
State and local	4.5	4.3	3.7	3.2	2.5
Construction	4.4	4.2	3.7	3.1	2.5

GSA SLUC

QUESTION:

Please provide for the record the following:

1. Amounts allocated for FY 1986 for each Department component.
2. Amounts requested for FY 1987 for each Department component.
3. Increases requested for FY 1987 for each Department component.
4. Percentage increase for FY 1987 compared with FY 1986.

ANSWER:

A table with the required data is provided in attachment C.

Impact of Funding at 1986 Levels

QUESTION:

What would be the impact on the activities of each agency in the Department if each agency received the same amount for FY 1987 that was appropriated for FY 1986 before sequestration with no other adjustment for uncontrollable items? If the Department received the same amounts in FY 1987 that it received in FY 1986 after sequestration, what would be the impact on the activities of each agency?

ANSWER:

The President's FY 1987 budget request addresses the need to meet the FY 1987 Gramm-Rudman-Hollings maximum deficit target of $144 billion.

In reaching this target, the President decided to fund certain core functions the Federal Goverment must perform. Among these essential functions is the administration of the federal justice system. The President recognizes this and his budget decisions confirm his views about important programs within the Department of Justice. In essence, the President's 1987 budget continues and, in many cases, enhances the resource levels for the Department's federal mission related programs.

A freeze of the Department of Justice's 1987 appropriations at the 1986 enacted level is not prudent given that the Department of Justice performs essential functions of the Federal Government.

The Congress enacts the laws that the Department of Justice enforces. The people expect these laws to be enforced. For example, one result of our vigorous attack on major drug trafficking organizations and on organized criminal enterprises has been a 50 percent increase in the federal prison population since 1981. Federal judges sentenced these people for having violated laws that this and previous Congresses enacted. It is our responsibility to house and care for the prisoners in a humane manner. Any freeze level proposed for these Federal Prison System would not accommodate the major facility expansion needed in the Federal Prison System. It will also not allow us to provide adequate food, medical care and necessary inmate programs for the continually growing federal prisoner population.

The core federal responsibilities that must be performed -- enforcing federal criminal law, defending the public interest in criminal and

civil court proceedings, operating correctional facilities, and protecting the integrity of our judges and other judicial officials cannot be abdicated.

Necessary savings must be found in other less essential federal programs in order to fund the Department of Justice at the level requested by the President in his 1987 budget. This may include the continued reduction of Federal funds from State and local assistance programs.

Some important initiatives are highlighted below that would be curtailed in 1987, should our 1987 appropriations be limited to either the amounts enacted in 1986 or the amounts available in 1986 after sequestration.

- Federal Prison System. Our current federal prisoner population is 46 percent greater than our rated bedspace capacity. The President's 1987 budget proposes funding for three new federal prison facilities which we plan to locate in Bradford, Pennsylvania; Sheridan, Oregon; and Marianna, Florida. These three new facilities would add 2,250 critically needed bedspaces.

  In addition, the President's 1987 request would fund the construction of two camps at the existing Marion, Illinois and Phoenix, Arizona facilities -- adding another 250 bedspaces. Another critical portion of our request for the Federal Prison System would provide the funds to staff new housing units which will be ready for activation in 1987. Further, there is a significant increase in the 1987 request, compared to 1986, to provide funding for the dramatically growing average daily population of our Federal Prison System. The level of funding proposed would not provide the funds necessary to feed and care for the existing and growing federal prisoner population.

  The federal prisoner population is the end result of federal criminal justice system actions taken by the three branches of our Federal Government -- enactment, investigations and prosecution and adjudication. We must exercise our responsibility to ensure adequate funding to house the growing federal prisoner population.

- Federal Bureau of Investigation (FBI). The proposal would bring to a halt a critical Presidential initiative within the FBI. This program is the continued, measured enhancement of our Foreign Counterintelligence program. The 1987 request represents the fourth year of this essential initiative. The FBI has been providing significant results from the investments in our Foreign Counterintelligence program. This vital national security initiative must be continued as planned for 1987.

  We also need the funding requested ($10 million) to add clerical support to our FBI field investigative programs. Extremely large backlogs are developing in transcribing tapes and typing reports in the field offices. The federal criminal justice system will suffer unless this problem is resolved.

  Further, there are important technological initiatives proposed for funding in the FBI for 1987 -- including continued expansion of our voice privacy radio network, which is vital to the security of our field operations and the safety of field agent personnel,

and funding for new uses of artificial intelligence in our field investigative programs.

- Drug Enforcement Related Initiatives. The Drug Enforcment Administration (DEA) is requesting additional resources to target specific investigative opportunities which have a high payoff in terms of the impact on trafficking in cocaine, heroin, and dangerous drugs. The Congress has recognized the need for increased resources in DEA. Drug enforcement related initiatives proposed in several other appropriation accounts are also important. These include the U.S. Marshals Service request for additional support to our Organized Crime Drug Enforcement Task Forces (OCDETF) initiative and our request for additional prosecutors in the Tax and Criminal Divisions and the U.S. Attorneys. We also need, in 1987, funds for the full costs of the staff added to the U.S. Attorneys in 1986 for the OCDETF initiative.

- General Legal Activities. Billions of dollars of federal funds are at risk in civil litigation. The Department of Justice must defend the Federal Government and there must be adequate resources to cope with a growing defensive caseload. The requests we have proposed for the Civil and Land and Natural Resources Divisions and the U.S. Attorneys are essential if we are to defend the Federal Government successfully in 1987. To preclude extensive future growth in staffing and to make current staff more productive, it is also critical that the President's request for a $10 million Legal Activities Office Automation initiative be supported in 1987. Additionally, to allow effective and efficient use of all our attorney resources, we urge the Committee's support of the President's 1987 budget proposal to merge the U.S. Attorneys into the General Legal Activities appropriation.

- Immigration and Naturalizaton Service. The sovereignty of our country's borders must be maintained. The Congress has recognized the need for increased resources and has so responded. Any reductions to levels approved or proposed would result in the inability to respond to the number of illegal aliens entering this country.

8.4 Percent Reduction

QUESTION:

What would be the impact on each of the agencies in the Department if each were to take a percentage reduction in the range of 8.4 percent below the FY 1986 amount, adjusted for sequestration?

ANSWER:

A reduction of this magnitude would in no doubt require elimination of some programs and hamper severely the operation of all other programs in the Department. Aside from programmatic considerations, funding at this level also ignores the additional cost required to maintain the Department without any growth in activities.

As we have responded in the previous question, many of the increases proposed for 1987 are necessary just to keep pace in dealing with national problems such as prison overcrowding, civil litigation, terrorism and drug abuse. Violations of our responsibility relating to prisoners, immigration proceedings and litigation would occur.

The Department has proposed decreases in many programs. Any substantial departure from the President's budget would deter us from carrying out our core functions. We would no longer be able to preclude reductions-in-force, furloughs and limited hiring of critical positions.

Contingency Planning

QUESTION:

What action is the Department taking to consider these possibilities -- have you formed a task force or done any contingency planning?

ANSWER:

It would be difficult for any organization to consider or anticipate all of the possible funding levels that have been discussed in the preceding questions. The possibilities are much too broad to focus on all the individual programs.

The management of each component office, bureau, board or division within the Department is required to operate their respective organizations prudently. This includes contingency planning during the operating year and forecasting needs for future years. This would not include multiple levels of reduction such as suggested earlier. Senarios such as this would be handled on an ad hoc basis. The Department is, however, watching the appropriations process very closely in order to take management action as soon as possible when 1987 funding decisions are known.

The Attorney General has formed a Department Resources Board to make Department-wide resource decisions. This Board, along with the management of each component, would convene to determine how to make whatever reductions may be applied.

GPO Commercial Procurement Contracts and Electronic Publishing

QUESTION:

We are aware that the Public Printer, at the Government Printing Office, has certain initiatives to encourage Federal agencies to take maximum advantage of GPO commercial procurement contracts. Also, the new GPO electronic publishing procurements are now saving very substantial tax dollars. We would like to know what plans you may have to increase your reliance on GPO commercial procurements for both printing and electronic publishing.

ANSWER:

Printing

In FY 1985, a comprehensive commerical printing contract was established through the Government Printing Office (GPO) for the production of books and pamphlets. This contract, which is identified as GPO Program 418-M provides high quality printing on one to 10 day production schedules. The contract is being used by both the Drug Enforcement Administration and the Federal Bureau of Investigation, in addition to other major Department components, to redirect work

valued at more than one million dollars annually to the private sector.

A new multiple award contract for copying/duplicating of court documents is currently under development. This is a direct deal/direct bill contract which will provide quick turnaround on priority work. No GPO surcharge will be incurred on work placed on this contract which is scheduled to be awarded by April 15, 1986.

Electronic Publishing

At the recommendation of the Department, a new contract (GPO Program 183-S) was recently established for the production of Office of Justice Programs (OJP) statistical reports. Copy is telecommunicated electronically to a commercial contractor located in Mechanicsburg, Pennsylvania from OJP word processing equipment. In addition to photocomposition and page makeup, the contract provides for complete printing and binding services.

Tests are currently being conducted with one of our commercial contractors on the electronic telecommunication of copy on the U.S. Supreme Court Brief contract (GPO Program 404-M). If the tests prove favorable, this feature will be incorporated into the contract when it is renewed.

Within the last 12 months, the Department started using GPO Program 470-M for the procurement of a significant percentage of the Department's composition services. This contract provides for a variety of electronic media including disk-to-disk (read-write) format; magnetic tape conversion; 9 track (read-write); reformatting of data configurations; optical scanning; et cetera.

GENERAL ADMINISTRATION

Savings Resulting from Management Initiatives

QUESTION:

On page 13 of the justifications, you are showing a reduction of 21 positions and $635,000. The justifications indicate that this is an across-the-board productivity improvement which would result in a 5 percent reduction in staffing as part of the Department's effort to comply with Administration guidance. What positions will be eliminated, how are you going to effect the reduction, and what impact will this reduction have on the activities in the Justice Management Division (JMD)?

ANSWER:

The personnel reduction will be accomplished through attrition and not through a reduction-in-force. With regard to what particular positions, it will be the ones that attrit first, except for certain designated areas that are deemed critical. We do not expect the reduction to have any negative impact. The reduction appears feasible due to the development of automation within JMD, which has streamlined various administrative and management functions.

President's Commission on Organized Crime

QUESTION:

There have been reports recently that members of the President's Commission on Organized Crime were not shown the final draft of the Commission's report released last week and were unaware of its recommendation that all Federal employees and Federal contractors undergo mandatory drug testing. Did the Commission make available the final draft of its report with this recommendation to all of the Commission members for their review before the report was released? If not, why not?

ANSWER:

The President's Commission on Organized Crime has provided the following response. The Commission's recent report on narcotics trafficking, "America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime" was prepared by the Commission utilizing procedures stipulated in the Commission's Rules of Procedure. A draft of the report was prepared by the staff at the direction of a subcommittee of the Commission. That draft was circulated to every member of the Commission and changes were recommended by members of the Commission. The Commission's two members who serve as members of Congress took no position on the substance of the recommendations, and this was noted in the report. This review and approval process occurred over a period of two months, from the time a full draft was submitted to the Commission's subcommittee until completion of the review process.

In sum, the Commission's review and approval process was a lengthy period of deliberation that accorded every member of the Commission the opportunity to consult with each other and with the staff within the time and budgetary constraints within which the Commission was required to operate. As noted above, the draft report was approved

by the entire Commission, although some changes were not finalized until after such approval. In those areas, a majority of the Commission agree with those changes although a number of members of the Commission disagree strongly with any interpretation of its recommendations as directing mandatory drug testing for all government employees. Such was not the intention of the Commission, as the careful wording selected for the pertinent recommendation attempts to make clear.

Several members of the Commission expressed surprise and unhappiness at initial press reports that inaccurately described the report as recommending a program of mandatory drug testing for every employee of the Federal Government. Because the report was carefully worded to express the view that drug testing is potentially useful as part of an overall campaign to reduce the level of drug use in this country, but that testing programs must be suitable and appropriate, these initial news stories oversimplified and distorted the Commission's position.

The members of the Commission who expressed surprise at these press accounts accurately stated that the news stories differed from the actual content of the report. This discrepancy, however, is attributable to the nature of the news stories and not to the Commission's internal procedures.

Funding for a Classified Project

QUESTION:

The conference report on the FY 1986 appropriation bill stipulated that $300,000 of the $3.3 million provided for a classified project for the Department of Justice was to be derived from unobligated balances available in the Federal Justice Research Program. Were those funds made available for that purpose, and if not, why not?

ANSWER:

Resources from the Federal Justice Research Program (FJRP) were not made available for the Department's classified project because Public Law 99-180 did not contain legally sufficient language to accomplish the allocation of unobligated balances for purposes other than those identified with FJRP.

QUESTION:

If the $300,000 is not available from the Federal Justice Research Program, what other sources of funding are available in the General Administration, Salaries and Expenses appropriation for the classified project?

ANSWER:

As is necessary in all programs, the Deparment is making every effort to minimize the cost associated with the classified project so that funds in excess of $3 million may not be necessary.

MONDAY, MARCH 10, 1986.

FEES AND EXPENSES OF WITNESSES

WITNESS

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. DWYER [presiding]. The next item that we shall consider is the fiscal year 1987 budget request for the appropriation entitled Fees and Expenses of Witnesses. The fiscal year 1987 budget request is for $34,676,000, and this amount is a reduction of $10,686,000 from the amount proposed for fiscal year 1986 adjusted for sequestration under Public Law 99-177.

We shall insert at this point in the record the justification materials submitted in support of this request.

[The justification materials follow:]

DEPARTMENT OF JUSTICE
APPROPRIATION HISTORY 1987
(DOLLARS IN THOUSANDS)

A

APPROPRIATION	1986 APPROPRIATION ANTICIPATED		ORGANIZATION'S REQUEST TO THE DEPARTMENT		DEPARTMENT REQUST TO OMB		REQUEST TO CONGRESS	
	POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
GENERAL ADMINISTRATION	1,032	70,800	1,026	73,326	1,015	77,175	1,021	73,708
U.S. PAROLE COMMISSION	175	9,800	181	10,997	183	10,980	175	10,420
GENERAL LEGAL ACTIVITIES	8,920	526,802	9,773	640,779	9,297	609,294	9,061	584,099
ANTITRUST DIVISION	649	44,300	649	47,025	641	46,591	717	50,009
FOREIGN CLAIMS SETTLEMENT COMMISSION	16	700	16	896	9	596	9	596
U.S. TRUSTEES	179	10,198	166	9,079	193	11,263	193	11,663
U.S. MARSHALS	2,624	150,000	2,891	168,152	2,744	182,343	2,724	176,759
SUPPORT OF U.S. PRISONERS	0	57,000	0	83,027	0	68,527	0	58,180
FEES AND EXPENSES OF WITNESSES	0	47,400	0	55,222	0	35,647	0	34,676
COMMUNITY RELATIONS SERVICE	118	29,900	131	32,925	118	11,957	118	12,009
ORGANIZED CRIME DRUG ENFORCEMENT	20	1,000	0	0	0	0	0	0
FEDERAL BUREAU OF INVESTIGATION	21,692	1,209,000	23,443	1,415,684	22,762	1,332,773	22,430	1,278,410
DRUG ENFORCEMENT ADMINISTRATION	4,895	380,000	5,340	472,215	5,176	429,699	5,051	411,329
IMMIGRATION AND NATURALIZATION SERVICE	11,694	593,800	12,218	634,279	11,752	620,065	11,694	609,393
FEDERAL PRISON SYSTEM:								
SALARIES AND EXPENSES	10,876	567,520	11,083	589,512	11,033	604,110	10,857	598,807
NATIONAL INSTITUTE OF CORRECTIONS	41	11,000	41	13,712	41	13,815	41	9,495
BUILDINGS AND FACILITIES	57	46,063	85	130,058	91	84,041	70	159,152
TOTAL, FEDERAL PRISON SYSTEM	10,974	624,583	11,209	733,282	11,165	701,966	10,968	767,454
OFFICE OF JUSTICE PROGRAMS	324	76,146	299	143,358	288	143,988	254	74,400
SUB-TOTAL DEPARTMENT OF JUSTICE	63,312	3,831,629	67,342	4,520,246	65,343	4,282,864	64,415	4,173,105
*ASSETS FORFEITURE FUND								
ESTIMATED OBLIGATIONS, EXTRAORDINARY EXPENSES.	0	10,000	0	10,000	0	10,000	0	10,000
ESTIMATED OBLIGATIONS, MANANGEMENT EXPENSES...	0	20,000	0	25,000	0	25,000	0	25,000
**CRIME VICTIMS FUND, ANTICIPATED RECEIPTS	0	100,000	0	100,000	0	100,000	0	100,000
TOTAL DEPARTMENT OF JUSTICE	63,312	3,961,629	67,342	4,655,246	65,343	4,417,864	64,415	4,308,105

* The estimated receipts for 1986 and 1987 for the Asset Forfeiture Fund are $130,000,000 and $150,000,000,respectively. The appropriation language specifies $10,000,000 for extraordinary expenses and "...such sums as may be necessary..." for the management of the fund. The $20,000,000 shown here is the estimated obligations for the management of the fund.

** The appropriation language contains an obligation limitation of $64,917,420 for 1986 and $35,000,000 for 1987.

DEPARTMENT OF JUSTICE
ADMINISTRATIVELY UNCONTROLLABLE OVERTIME
(IN THOUSANDS OF DOLLARS)

APPROPRIATION	1985 ADMINISTRATIVELY UNCONTROLLABLE OVERTIME		1986 ADMINISTRATIVELY UNCONTROLLABLE OVERTIME		1987 ADMINISTRATIVELY UNCONTROLLABLE OVERTIME	
	WYS	AMOUNT	WYS	AMOUNT	WYS	AMOUNT
FEDERAL BUREAU OF INVESTIGATION.....*	2,120	$50,894	2,182	$52,384	2,210	$53,062
DRUG ENFORCEMENT ADMINISTRATION.....	520	12,478	565	13,775	574	13,822
IMMIGRATION AND NATURALIZATION.....	670	18,375	670	14,420	670	14,420
TOTAL.....	3,310	81,747	3,417	80,579	3,454	81,304

* Workyears (WYS) have been recalculated and differ from the data presented in the Presidents' budget.

REQUIREMENTS FOR GSA SPACE, 1986 VS 1987
(IN THOUSANDS OF DOLLARS)

APPROPRIATION	1986 ESTIMATE	RENT UNCONTROL. INCREASE	OTHER UNCONTROL. ADJUST.	TRANSFERS	MANAGEMENT SAVINGS	PROGRAM CHANGES	1987 APPROP. REQUEST	PERCENT OF INCREASE
GENERAL ADMINISTRATION.....	5,620	1,621	(347)	...	(35)	(19)	6,840	21.71%
U.S. PAROLE COMMISSION.....	918	452	...	...	...	...	1,370 *	49.24%
GENERAL LEGAL ACTIVITIES.....	15,679	5,997	(97)	...	(257)	291	21,613 *	37.85%
FOREIGN CLAIMS SETTLEMENT COMMISSION....	90	110	...	...	...	(145)	55	-38.89%
ANTITRUST DIVISION.....	3,082	1,548	...	68	...	...	4,698	52.43%
U.S. ATTORNEYS	27,256	1,720	1,966	...	...	70	31,012 *	13.78%
U.S. TRUSTEES.....	1,460	1,496	...	...	(64)	21	2,913	99.52%
U.S. MARSHALS.....	12,324	3,285	...	...	...	120	15,729	27.63%
COMMUNITY RELATIONS SERVICE.....	666	343	...	...	...	...	1,009 *	51.50%
TOTAL, LEGAL ACTIV. & GEN. ADMIN.	67,095	16,572	1,522	68	(356)	338	85,239	27.04%
ORGANIZED CRIME DRUG ENFORCEMENT.....	80	...	...	...	...	-80	...	-100.00%
FEDERAL BUREAU OF INVESTIGATION.....	54,500	7,983	(927)	...	...	5,803	67,361	23.60%
DRUG ENFORCEMENT ADMINISTRATION.....	20,562	2,446	...	...	...	896	23,904	16.25%
IMMIGRATION AND NATURALIZATION SERVICE..	25,337	4,051	...	...	...	...	29,388	15.99%
FEDERAL PRISON SYSTEM:								
SALARIES AND EXPENSES.....	1,636	917	...	...	...	...	2,553	56.05%
NATIONAL INSTITUTE OF CORRECTIONS.....	183	49	...	...	...	(38)	194	6.01%
TOTAL, FEDERAL PRISON SYSTEM.....	1,819	966	...	...	...	(38)	2,747	51.02%
OFFICE OF JUSTICE PROGRAMS.....	870	702	(41)	...	...	...	1,531	75.98%
TOTAL, DEPARTMENT OF JUSTICE.....	170,263	32,722	554	68	(356)	6,919	210,170	23.44%

* Amount differs from the object class breakout in the budget justification. Distribution by object class is revised, however, total resource requirements do not change.

DEPARTMENT OF JUSTICE

Legal Activities

Fees and Expenses of Witnesses

Estimates for Fiscal Year 1987

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	3
Crosswalk of 1986 Changes	4
Summary of Requirements	5
Justification of Program and Performance	6
Priority Rankings	11
Justification of Adjustments to Base	12
Summary of Requirements by Object Class	13

Fees and Expenses of Witnesses

Summary Statement

Fiscal Year 1987

For the Fees and Expenses of Witnesses appropriation, the Department is requesting a total of $34,676,000 for 1987, all of which shall remain available until expended. This request represents a decrease of $12,724,000 from the 1986 appropriation anticipated.

The purpose of the Fees and Expenses of Witnesses appropriation is to pay the fees and expenses of witnesses: (1) who appear on behalf of the government in all cases in which the United States is a party; (2) who are appointed by the Court under Rule 706 of the Federal Rules of Evidence, and; (3) who are called to present factual testimony on behalf of Court-designated indigent criminal defendants. In addition, this appropriation pays compensation to individuals victimized by persons provided protection under the Witness Security Program.

The Fees and Expenses of Witnesses appropriation contains four budget activities: Fact Witnesses, Expert Witnesses, Mental Competency Examinations and the Victim Compensation Fund.

1. Fact Witnesses: Fact witnesses testify as to events or facts about which they have personal knowledge. These witnesses are paid a statutory $30 per day attendance fee as well as travel and certain other costs associated with their appearance.

2. Expert Witnesses: The testimony of expert witnesses is used in trials where technical or scientific expertise is required in the defense or prosecution of a case. An increase of $682,000 is requested for this activity. The legal divisions and the U.S. Attorneys are requiring a greater number of expert witnesses as a result of significant increases in caseload in recent years.

3. Mental Competency Examinations: This activity pays the fees of physicians and psychiatrists who examine accused persons upon order of the court to determine their mental competency.

4. Victim Compensation Fund: Section 1208 of the Comprehensive Crime Control Act (Title II of P.L. 98-473) establishes a Victim Compensation Fund (18 U.S.C. 3525). The Fund is used by the Attorney General to "pay restitution to, or in the case of death, compensation for the death of any victim of a crime that causes or threatens death or serious bodily injury and that is committed by any person during a period in which that person is provided protection under this chapter." In the case of death, an amount not to exceed $50,000 may be paid to the victim's estate. Moreover, the act authorizes payment of an amount not to exceed $25,000 to the estate of any individual whose death was caused by a protected witness before the enactment of this law.

Legal Activities

Fees and Expenses of Witnesses

Justification of Proposed Language Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances, [$47,400,000] $34,676,000 to remain available until expended[, of which not to exceed $550,000 may be made available for the planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites: Provided, That restitution of not to exceed $25,000 shall be paid to the estate of victims killed before October 12, 1984, as a result of crimes committed by persons who have been enrolled in the Federal witness protection program, if such crimes were committed within two years after protection was terminated, notwithstanding any limitations contained in part (a) of section 3525 of title 18 of the United States Code].

(5 U.S.C. 503(b), 5537, 5751; 18 U.S.C. 3495-96, 3525, 4203, 4241, 4242; 28 U.S.C. 524, 1783, 1821, 1825, 1915, 1922; 31 U.S.C. 3324; P.L. 99-180, Department of Justice and Related Agencies Appropriation Act, 1986).

Explanation of Changes

The first change identifies a transfer of language concerning safesite facilities to "Salaries and expenses, U.S. Marshals Service", along with the funding for the Protection of Witnesses budget activity. Further, deleted language was added by Congress in 1986 to provide some measure of financial protection to the estates of individuals killed by persons enrolled in the Witness Security Program prior to enactment of the Comprehensive Crime Control Act of 1984. The Comprehensive Crime Control Act of 1984 established financial protection to victims of crimes committed by protectpd witnesses.

59-584 O—86——42

Legal Activities

Fees and Expenses of Witnesses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985

Activity	1986 President's Budget Request	Congressional Appropriation Actions on 1986 Request	1986 as Enacted	Funds Sequestered	
	Amount	Amount	Amount	4.3% Reduction	Revised Amount
1. Fact Witnesses.....	$17,264	...	$17,264	-$742	$16,522
2. Protection of Witnesses.....	14,235	...	14,235	-612	13,623
3. Expert Witnesses.....	15,938	-$900	15,038	-647	14,391
4. Mental Competency Examinations...	288	...	288	-12	276
5. Victim Compensation Fund.....	575	...	575	-25	550
Total.....	48,300	- 900	47,400	-2,038	45,362

Legal Activities

Fees and Expenses of Witnesses

Crosswalk of 1986 Changes
(Dollars in thousands)

Budget Activity	1986 Request As Amended	Congressional Appropration Actions on 1986 Request	Reprogrammings	1986 as Enacted
1. Fact witnesses.....	$17,264	...	...	$17,264
2. Protection of Witnesses.....	14,235	...	...	14,235
3. Expert witnesses.....	15,938	-$900	...	15,038
4. Mental competency examinations...	288	...	...	288
5. Victim Compensation Fund.....	575	...	...	575
Total.....	48,300	- 900	...	47,400

Congressional Appropriation Action

The Congress reduced the President's request for a $1,800,000 program increase for the expert witness budget activity by $900,000.

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements
(Dollars in thousands)

Adjustments to base	Amount
1986 as enacted	$47,400
Transfer of protected witnesses activity to U.S. Marshals Service	-14,891
Uncontrollable increases	1,485
1987 base	33,994

Estimates by budget activity	1985 Enacted	1985 Actual	1986 as Enacted	1987 Base	1987 Estimate	Increase/ Decrease
1. Fact witnesses	$16,172	$14,711	$17,264	$17,418	$17,418	...
2. Protection of Witnesses	12,804	12,689	14,235	... [1/]	...	...
3. Expert witnesses	13,115	13,130	15,038	15,700	16,382	$682
4. Mental competency examinations	275	201	288	301	301	...
5. Victim Compensation Fund	225	...	575	575	575	...
Total	42,591	40,731	47,400	33,994	34,676	682

1/ Funding for this budget activity is proposed for transfer to the appropriation, "Salaries and expenses, U.S. Marshals Service" in fiscal year 1987.

Legal Activities

Fees and Expenses of Witnesses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1986 as Enacted	1987 Base	1987 Estimate	Increase/Decrease
Activity: Fact Witnesses.....	$17,264	$17,418	$17,418	...

Long-Range Goal. To support the efficient administration of justice in federal courts by providing compensation to those individuals called to testify as fact witnesses in criminal and civil trials, on behalf of the United States or court designated indigents as provided by law.

Major Objectives.

1. To provide adequate resources to compensate fact witnesses who testify on behalf of the government for the expenses associated with attendance at legal proceedings. The court-attendance fee paid to fact witnesses is set by law (28 U.S.C. 1821). As a result of Public Law 96-346 (September 10, 1980), the amounts authorized for travel, per diem and mileage are set by regulations governing official travel by federal employees and promulgated by the Administrator of the General Services Administration.

2. To provide adequate resources to compensate fact witnesses utilized by those defendants designated as indigent by the courts. Expenses are paid to those witnesses who appear in criminal proceedings in federal court for the indigent defendants.

Base Program Description. The testimony of fact witnesses is used in court proceedings by the Department's legal divisions and the U.S. Attorneys. Fact witnesses are used primarily in criminal proceedings where the defendent is accused of violating federal law. Fees and expenses paid to witnesses are intended to defray the costs of appearing to testify and are set by law and/or regulation.

Accomplishments. This activity has provided the funding necessary to ensure appropriate payments to fact witnesses called on behalf of the United States, or court-designated indigent defendents in criminal proceedings.

	1986 as Enacted	1987 Base	1987 Estimate	Increase/Decrease
Activity: Expert Witnesses.....	$15,038	$15,700	$16,382	$682

Long-Range Goal. To improve the ability of litigating units in the Department of Justice to represent the United States' interests adequately in courts of law in cases involving complex scientific or technical issues by providing sufficient funding to enter contractual agreements with an adequate number of expert witnesses.

Major Objectives.

1. To provide an adequate number of expert witnesses for the United States when legal proceedings require testimony of a scientific or technical nature.

2. To provide reasonable compensation for expert witnesses at rates established by the Attorney General or the Assistant Attorney General for Administration, pursuant to 28 U.S.C. 524.

Base Program Description. This program provides for the fees and expenses of expert witnesses who appear on behalf of the Government when scientific or technical expertise is required in the prosecution or defense of a case. The pursuit of complex litigation by the Department would not be possible without qualifed experts both to tescify and to refute the non-legal particulars of individual cases. The testimony of expert witnesses is essential to the successful outcome of such litigation. While a wide array of specialized disciplines are involved in the Department's litigation, experts from certain disciplines are utilized extensively. For example, sixty-four percent of expert witnesses used by the Department in 1985 were either physicians, psychiatrists, appraisers, engineers or economists.

Accomplishments. This activity has provided sufficient funding for the government to be supported adequately with the complex technical and scientific testimony provided by expert witnesses in all its cases as needed.

Program Changes

This level of funding will provide sufficient resources to enable the litigating organizations within the Department to utilize the services of an increased number of expert witnesses to testify on behlaf of the government. The need to use expert witnesses has grown steadily in recent years. This growth is projected to increase further in 1987, but at a reduced rate.

A major reason for the projected increase in the use of expert witnesses is the increasing number of cases involving complex and technical issues. Opposing parties continue to employ expert witnesses having access to highly sophisticated techniques of data collection and analysis. To counter the testimony of these individuals effectively, government attorneys must have the ability to hire competent expert witnesses to provide opposing testimony. The costs of collecting the information used as testimony have accelerated rapidly. These increased costs, as well as competition for highly qualified expert witnesses, have led to a steady increase in the fees charged by such experts in recent years and correlates to the increased complexity of the Department's caseload. The average payment made to an expert witness increased 52.6 percent from 1982 to 1985.

Funding at this level will allow the government to utilize the vital resources of expert witnesses in an effort to enforce the laws of the United States and to defend the government in lawsuits brought against it.

The estimated 1985 through 1987 resource requirements for the expert witness activity for each organization using expert witnesses follows:

Expert Witness Requirements -- by Organization
(In thousands of dollars)

Organization	1985	1986	1987
U.S. Attorneys	$4,936	$5,684	$6,047
Land and Natural Resources Division	2,781	3,181	3,700
Civil Division	2,600	2,700	3,688
Tax Division	1,502	1,798	1,332
Civil Rights Division	917	1,100	1,100
Antitrust Division	238	275	290
Criminal Division	156	300	225
Total	13,130	15,038	16,382

	1986 as Enacted	1987 Base	1987 Estimate	Increase/Decrease
Activity: Mental Competency Examinations.....	$288	$301	$301	...

Long-Range Goal. To guarantee the right of accused persons to a fair and impartial trial in a court of law by ensuring that the accused individual is mentally competent to stand trial and that the court has competent testimony regarding the mental competency of the accused at the time of the offense, in appropriate cases.

Major Objectives:

To provide for the fees and expenses of physicians or psychiatrists who perform court-ordered examinations to determine the mental competency of an accused person, pursuant to 18 U.S.C. 4241 and 4242.

Base Program Description. This program is important since the rights of accused persons must be protected. Courts often order the government to pay the costs associated with mental competency examinations provided by physicians or psychiatrists. These exams attempt to determine whether the accused person is mentally competent to stand trial and/or was mentally competent at the time an offense was committed.

Accomplishments. This activity provided sufficient funds to ensure that, in all cases in which the courts ordered mental competency examinations, the right of accused persons to a fair and impartial trial was protected.

	1986 as Enacted	1987 Base	1987 Estimate	Increase/Decrease
Activity: Victim Compensation Fund.....	$575	$575	$575	...

Long-Range Goal. To pay restitution, or in the case of death, compensation for the death, to any victim of a crime that causes or threatens death or serious bodily injury and that is committed by a protected witness.

Major Objectives:

To provide compensation to those individuals, or in the case of death to the individual's estate, who are victimized by a protected witness, as authorized by Section 1208 of the Comprehensive Crime Control Act of 1984 (Title II of P.L. 98-473), enacted October 12, 1984.

Base Program Description. This program provides resources to compensate individuals who are victimized by a protected witness. The fund was established in 1985 with funds provided in the 1985 Supplemental Appropriations Act (P.L. 99-88) and is authorized to be appropriated $1,000,000 annually to make payments to victims of crimes committed by a protected witness. The Department currently estimates eligible claims to fall short of the $1,000,000 authorized. Data on this fund is being collected and will be reported to the Congress by the Attorney General not later than four months after the end of each fiscal year, in accordance with P.L. 98-473. Restitution will not exceed $50,000 for those victimized since the establishment of the Fund. Restitution not to exceed $25,000 shall be paid to the estate of victims killed as a result of crimes committed by persons who have been enrolled in the Witness Security Program if such crimes were committed prior to enactment of P.L. 98-473 and otherwise qualify for restitution.

Accomplishments. The Department expects to provide adequate compensation to victims who have been identified, submit appropriate claim information, and are found eligible to receive benefits.

The Criminal Division has promulgated guidelines for identifying and notifying potential claimants, reviewing the claims, and making payments from the Fund.

Legal Activities

Fees and Expenses of Witnesses

Priority Rankings

Base Program

Program	Ranking
Fact Witnesses	1
Expert Witnesses	2
Mental Competncy Examinations	3
Victim Compensation Fund	4

Program Chnages

Program	Ranking
Expert Witnesses	1

Legal Activities

Fees and Expenses of Witnesses

Justification of Adjustments to Base
(Dollars in thousands)

Uncontrollable increases:	Budget Authority
General pricing level adjustment	$1,485

The uncontrollable increase for the fact witness activity is determined by applying a factor of 4.2 percent against the anticipated 1986 costs for the common carrier portion of transportation costs for witnesses.

The uncontrollable increase required for the expert witness, protection of witnesses, and mental competency examination activities is determined by applying a factor of 4.4 percent against the 1986 appropriation enacted level for these activities. The prices that the Government pays for these activities are established through the market system or by law, regulation, or internal Departmental orders. The 4.4 percent factor is a composite of the "federal nonpay" and the "State and local" index factors. No uncontrollable increase is requested for the Victim Compensation Fund.

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements by Object Class
(Dollars in thousands)

Object Class	1986 Estimate	1987 Estimate	Increase/Decrease
11.8 Special personal services payments	$34,590	$22,008	-$12,582
21.0 Travel and transportation of persons	12,085	12,193	108
25.0 Other Services	50	---	-50
42.0 Insurance claims and indemnities	575	575	---
Total obligations	47,300	34,776	12,524
Unobligated balance, start of year	---	-100	100
Unobligated balance, end-of-year	+100	---	-100
Total Requirements	47,400	34,676	12,524
Relation of obligations to outlays:			
Obligated balance, start-of-year	7,373	9,090	
Obligated balance, end-of-year	-9,090	-7,756	
Adjustments to expired accounts	-3,000	-3,000	
Outlays	42,683	33,010	

GENERAL STATEMENT

Mr. DWYER. Again, we have Mr. Wallace with us to present this request. You may proceed, Mr. Wallace.

Mr. WALLACE. Thank you, Mr. Chairman.

I am pleased to have this opportunity to appear before you supporting the 1987 budget request for the Fees and Expenses of Witnesses appropriation. This appropriation is presently used by all of the Department's litigating organizations for the payment of fees and expenses of fact and expert witnesses, for the expenses of individuals in the Witness Security Program, and for the expenses of examinations conducted to determine the mental competency of criminal defendants.

Since 1985, this appropriation has also paid compensation to persons victimized by any individual enrolled in the Witness Security Program.

The 1987 request for the appropriation is $34,676,000, a decrease of $12,724,000 from the enacted 1986 appropriation of $47,400,000. The 1987 request includes an uncontrollable increase of $1,485,000, a transfer out of $14,891,000 to the U.S. Marshals Service for the Protection of Witnesses activity, and a program increase of $682,000 for the expert witness activity.

EXPERT WITNESS INCREASE

The program increase of $682,000 for the expert witness activity should provide sufficient resources to enable the U.S. Attorneys and the litigating divisions of the Department to contract with expert witnesses who prepare and present critical courtroom testimony for the United States on complex and technical matters. As the Department's caseload continues to increase in volume and complexity, greater use of expert witnesses is required.

Also, opposing parties continue to employ expert witnesses having access to highly sophisticated techniques of data collection and analysis. Government attorneys must have the ability to hire experts to provide convincing testimony and to counter the claims of the opposition's experts. The testimony of an expert witness can have a significant effect on the outcome of a case regardless of whether it goes to trial or is settled. Indeed, the Government could be severely disadvantaged in settlement negotiations without the aid of appropriate expert witnesses to analyze and rebut the position taken by experts used by the opposition. Additional funding should ensure the litigating organizations access to the services of quality expert witnesses and enhance effective case management of the department's complex litigative caseload.

The increase requested this year is substantially smaller than those requested in recent years. In part, this is due to the appropriation language change enacted by the Congress in the 1986 Appropriation Act making these funds available until expended. This authority helps the Department in managing expert witness resources and is expected to reduce the need for annual budget increases in future years.

TRANSFER OF WITNESS PROTECTION ACTIVITY

Additionally, the Department is proposing a transfer of $14,891,000 from this appropriation to the U.S. Marshals Service appropriation. This transfer will place the Protection of Witnesses activity with its sister activity, the Witness Security Program, within the U.S. Marshals Service appropriation.

Presently, funding for the Protection of Witnesses activity is allotted to the Director of the Marshals Service. The Department believes that the transfer will improve the coordination of programmatic decisionmaking, as well as congressional oversight, for the Witness Security Program, by placing all resources related to witness protection within one appropriation. This transfer is also expected to reduce the administrative burden on the Marshals Service.

IMPROVED MANAGEMENT OF FUNDS

Again this year, the Justice Management Division has taken steps to improve coordination between the organizations obligating funds from this appropriation and headquarters staff. Such coordination has been instrumental in strengthening financial management practices in the appropriation. Also, the management information system providing data on witness expenses has been further expanded and improved to produce more accurate and timely information.

This concludes my statement, Mr. Chairman. I will be pleased to answer any questions that you and subcommittee members may have.

BALANCED BUDGET AND EMERGENCY DEFICIT REDUCTION ACT

Mr. DWYER. Thank you, Mr. Wallace.

Again, referring to Gramm-Rudman, I understand that $2,038,000 was sequestered from the fees and expenses account during the current fiscal year. My question is: Will this reduction affect the Department's ability to conduct criminal and civil trials on behalf of the United States of America?

Mr. WALLACE. We do not believe that there will be an adverse effect on our ability to handle cases related to the sequestration of funds in this appropriation.

Mr. DWYER. But, again, if we have the horror stories take place in 1987 that we are all anticipating, how about your opinion at that time?

Mr. WALLACE. If we end up with a worse case next fiscal year, we will have to address the question in a different way. It will have a significant effect if there is a major or extremely large reduction in this appropriation. Additionally, we will have to look at what the effect of the carryover funds will be next fiscal year.

The primary reason I believe we are safe for this fiscal year is because of the carryover of funds provision, which the Congress enacted in 1986, so we won't have a problem. Next fiscal year, depending on what the remaining balances are and what the appropriation starts at, next time we may or may not have a problem.

But the larger the apocalypse, the more difficult it will be to handle the civil and criminal litigation without these funds.

Mr. DWYER. Do you have an idea how much you are anticipating might be leftover from the 1986 appropriation?

Mr. WALLACE. It is probably too early in the year to tell. In fact, we normally measure these about mid-way through, and we won't have our accounting reports for the mid-year cycle until some time in late April.

Mr. DWYER. But you anticipate some carryover?

Mr. WALLACE. Probably. To date, there has been a reduction in the number of witnesses that have been utilized from the previous year, and that is my basis for projecting that there may be some carryover.

Mr. DWYER. Has the number of cases stabilized?

Mr. WALLACE. The number of cases continues to climb, but the number of witnesses used has dropped slightly in the early part of the year. It may pick up in the second half of the year and exceed our expectations.

Mr. DWYER. How will you handle that?

Mr. WALLACE. Well, basically——

Mr. DWYER. Are there better investigations, better files, files that are more complete?

Mr. WALLACE. Well, it is a complex set of factors that are involved.

Mr. DWYER. It is a difficult question. I think because there is a decrease that you might have some idea of why, what is going on, or is it too early to tell?

Mr. WALLACE. Well, it is too early to tell and isolate exactly what factors are causing the decrease. It may be that certain cases have been settled or combined. It may be that the courts are either speeding up or slowing down on the way that they are processing some of the cases, or it may be some partial effect of Gramm-Rudman with people not hiring.

EXPERT WITNESS GUIDELINES

Mr. DWYER. Last year, you told the Committee that there were some new guidelines being set up regarding expert witnesses. I was wondering if these new guidelines have had an impact on the number of outside witnesses being utilized?

Mr. WALLACE. I wouldn't think that the new guidelines have had that effect. They have more of a management effect in terms of our having appropriate steps and procedures in place for us to approve or disapprove a witness when necessary. In terms of the witness being necessary or not, it would be the same pre-guidelines as post-guidelines, but we would have an effective management tool.

Talking about fraud, waste and abuse, the guidelines in this appropriation have significantly improved our ability to provide reasonable assurance. At the end of the past two fiscal years, I sat around until the end of the year guessing and hoping that it would balance out, because it is somewhat uncontrollable and the guidelines have given us additional management and control over the fund, but not over whether witnesses are actually used or not.

Mr. DWYER. Who determines how much an expert witness is paid? The expert witness? That is the point of beginning, I would think.

Mr. WALLACE. Well, there is normally a negotiation process between the witness and the component hiring the witness, and then there are levels that could not be exceeded. There is an original agreement for a number of days and a product that is to be delivered for that period. The way the guidelines read, if that is going to be exceeded, they would have to come back in and make supplemental request for funds.

Mr. DWYER. I would imagine you would need a lot of expert witnesses in connection with toxic waste exposures, and I would imagine that given the history of the toxic waste dumps throughout this country that you have probably arrived at a pretty good list of witnesses. And I also imagine there is probably a great disparity in their fees.

Do you suggest—do you develop an accredited list of witnesses based on their fees and, of course, their expertise?

Mr. WALLACE. I am not currently in a position to recommend that, even though that workload happens to be in the Division that I litigated in for five years. And I actually handled some of those types of cases.

In terms of the way that litigation is currently conducted, the government attempts to recover almost all of its costs from the perpetrators. Under the Superfund statute, as it was passed, we have cost recovery actions. After we actually bring one of those enforcement cases, we go back and get all the government's money returned. There is less concern about the cost of those witnesses being ultimately absorbed by this appropriation in that one special category than there is in other categories.

Mr. DWYER. That might be an interesting figure to supply to the Committee, the total amount of expert witnesses expenditures that have been recouped, because of favorable results of the trial.

[The following information was submitted:]

EXPERT WITNESS FEES RECOUPED

Expert witness costs incurred by the Department of Justice are pooled with a number of other government response costs, including the following: expenses for technical studies; data collection; and removal and remedial actions. Because of appeals or phased trials, no expert witness fees have been recouped to date through trials, although all witness fees sought have been awarded by the lower courts.

Mr. DWYER. Maybe in hindsight we should not have cut your request in the 1986 bill with the carryover provision. That may have saved some possible anguish come next September or October.

Thank you.

We will have some questions for the record, and we will get them to you.

Thank you for being here.

Mr. WALLACE. Thank you.

[The questions and the answers submitted thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN DWYER

FEES AND EXPENSES OF WITNESSES

Protection of Witnesses

QUESTION:

The budget request for FY 1987 proposes to transfer the Protection of Witnesses activity to the U.S. Marshals Service appropriation. Can you briefly summarize the activities funded in this budget line item, and why transferring this activity to the Marshals Service will improve the administation of the program? You state that the transfer is expected to reduce the administrative burden on the Marshals Service. Will this transfer result in any cost savings or reduction in personnel?

ANSWER:

The Protection of Witnesses budget activity funds the following costs associated with potentially endangered or threatened witnesses who provide testimony in trials involving organized and violent crime: subsistence expenses; housing; medical and dental expenses; travel; documentation expenses for identity changes; one-time relocation; costs for obtaining employment; and other miscellaneous expenses, including those related to establishing and maintaining safesite facilities and the Protected Witness Assessment Center. Transferring the activity to the Marshals Services is expected to improve administration of this program.

Currently, responsibility for managing the funds provided for this activity is delegated to the Director, U.S. Marshals Service. In addition, the U.S. Marshals Service receives funding for the Witness Security Program. One program reflects the Marshals' costs while the other reflects the costs of witnesses and their dependents. Increased activity in one program generates or reflects increased activity in the other. The Department believes that a more coordinated programmatic review of the security and protection of witnesses will be possible if all funding related to this function is contained within one appropriation. This will minimize the possibility that inconsistent actions will be taken regarding the complementary parts of the program (e.g., funding the U.S. Marshals Service to provide a new service but not the associated increased witness expenses). Further, this transfer will eliminate the administrative difficulties associated with differentiating expenses between two separate appropriations.

At this time, the Marshals Service has identified no cost savings or reduction in personnel associated with the proposed transfer.

QUESTION:

You are also proposing to delete language concerning safesite facilities from this appropriation and adding it to the appropriation for the Marshals Service. What is the reason for this change?

ANSWER:

The language related to safesite facilities was included in the request for the Fees and Expenses of Witnesses appropriation to authorize use of funding available in the Protection of Witnesses activity for expenses related to the establishment and maintenance of safesites. Since this activity is proposed for transfer to the Marshals Service, the safesite language is no longer relevant to this appropriation.

Expert Witnesses

QUESTION:

You are proposing an increase of $682,000 for funding expert witnesses. What is the basis for this increase -- more cases and more witnesses or cost increases?

ANSWER:

Anticipated cost increases for highly specialized expert witnesses is the primary basis for the increase. This is based upon a review of estimated 1987 resource requirements submitted by each of the seven litigating organizations which use funding available to the expert witness activity. To obtain the 1987 estimate, the Justice Management Division included a special exhibit in the 1987 Spring Planning Call for Program Authorization and Budget Estimates for completion by the litigating organizations. This exhibit represented the continuing commitment by the Department to strengthening coordination between the litigating organizations and the Justice Management Division in formulating and executing the budget for expert witnesses.

QUESTION:

Last year you requested an increase of $1.8 million for the expert witness budget activity, and Congress cut your request by $900,000. What has been the effect of this reduction?

ANSWER:

The reduction to the 1986 request has not had a catastrophic effect. The Department will be unable to realize the full benefits of the new no-year funding authority until next year. However, due to lower than estimated fact witness expenses, it appears that funding will be available to reprogram to the expert witness activity to ameliorate an impending shortage.

QUESTION:

On page 8 of the justifications you state that the average payment paid to expert witnesses by the Department increased 52.6 percent from 1982 to 1985. What is the principal reason for this increase -- is it simply a sellers market?

ANSWER:

A principal reason for the increase in the average payment to expert witnesses from 1982 to 1985 is the greater use of highly specialized and costly expert witnesses by the Land and Natural Resources and

the Civil Rights Divisions. A major reason for the overall increase in the average payment for these two divisions is the increase in witnesses receiving compensation in excess of $50,000. These witnesses were used primarily in cases involving the General Litigation and Land Acquisition sections of the Lands Division and employment discrimination cases in Civil Rights.

In 1982, for example, the Lands Division employed just one expert witness who received over $50,000; Civil Rights used none. By contrast, 1985 saw Lands employ nine expert witnesses costing over $50,000; Civil Rights used three. The percentage of total payments going to expert witnesses in these two divisions increased from 16 percent in 1982 to 32 percent in 1985.

Although the range of hourly and daily rates for the many categories of expert witnesses has not been increased since 1982, total expert witness costs have risen. This is attributed primarily to the greater time required for witnesses to analyze large volumes of data and the associated costs (computer time, support staff) associated with case preparation.

QUESTION:

Last year you told this Committee that the Justice Management Division had established a set of guidelines for use by the U.S. Attorneys and various litigating divisions in hiring expert witnesses, and that the Division monitors the expenditures under those guidlines on a monthly basis.

a. How are the guidelines working?
b. What effect have the guidelines had in holding down costs?
c. Do you see any need to change these guidelines?

ANSWER:

a. The guidelines for use in hiring expert witnesses (DOJ Order 2110.13A) continue to meet the needs of the U.S. Attorneys offices, the litigating organizations, and the Justice Management Division (JMD). However, certain changes to these guidelines are presently being considered. Among these changes are the delegation of authority for approval of expert witnesses costing less than $2,500 from JMD to the litigating organizations and a revision of the rate schedule to reflect changes in market conditions.

b. The guidelines are helpful in holding down costs since they provide a range of acceptable rates for use by attorneys in negotiations with potential expert witnesses. Also, the guidelines emphasize the requirement that the attorneys request and receive the prior approval of the Assistant Attorney General for Administration or his designee(s) before the expert witness performs the required services.

c. Certain changes to the guidelines may be necessary with assistance from the litigating organizations. JMD is reviewing the guidelines to ensure they are workable, reasonable, and capable of providing assistance to the litigating organizations in their efforts to acquire the essential services of competent expert witnesses at a reasonable cost.

THURSDAY, MARCH 13, 1986.

DRUG ENFORCEMENT ADMINISTRATION

WITNESSES

JOHN C. LAWN, ADMINISTRATOR

DONALD P. QUINN, ASSISTANT ADMINISTRATOR FOR OPERATIONAL SUPPORT

DAVID L. WESTRATE, ASSISTANT ADMINISTRATOR FOR OPERATIONS

JOSEPH TRINCELLITO, OFFICE OF DIVERSION CONTROL

JAMES J. HOGAN, CONTROLLER

JAMES K. WILLIAMS, BUDGET OFFICER

LAWRENCE G. DAVIS, BUDGET FORMULATION

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

Mr. SMITH. This morning we shall consider the fiscal year 1987 budget request for the Drug Enforcement Administration. The request is for $411,329,000. This is an increase of $47,669,000 above the appropriation enacted for 1986 after sequestration under Public Law 99-177. We will insert the justifications at this point in the record.

[The justification materials follow:]

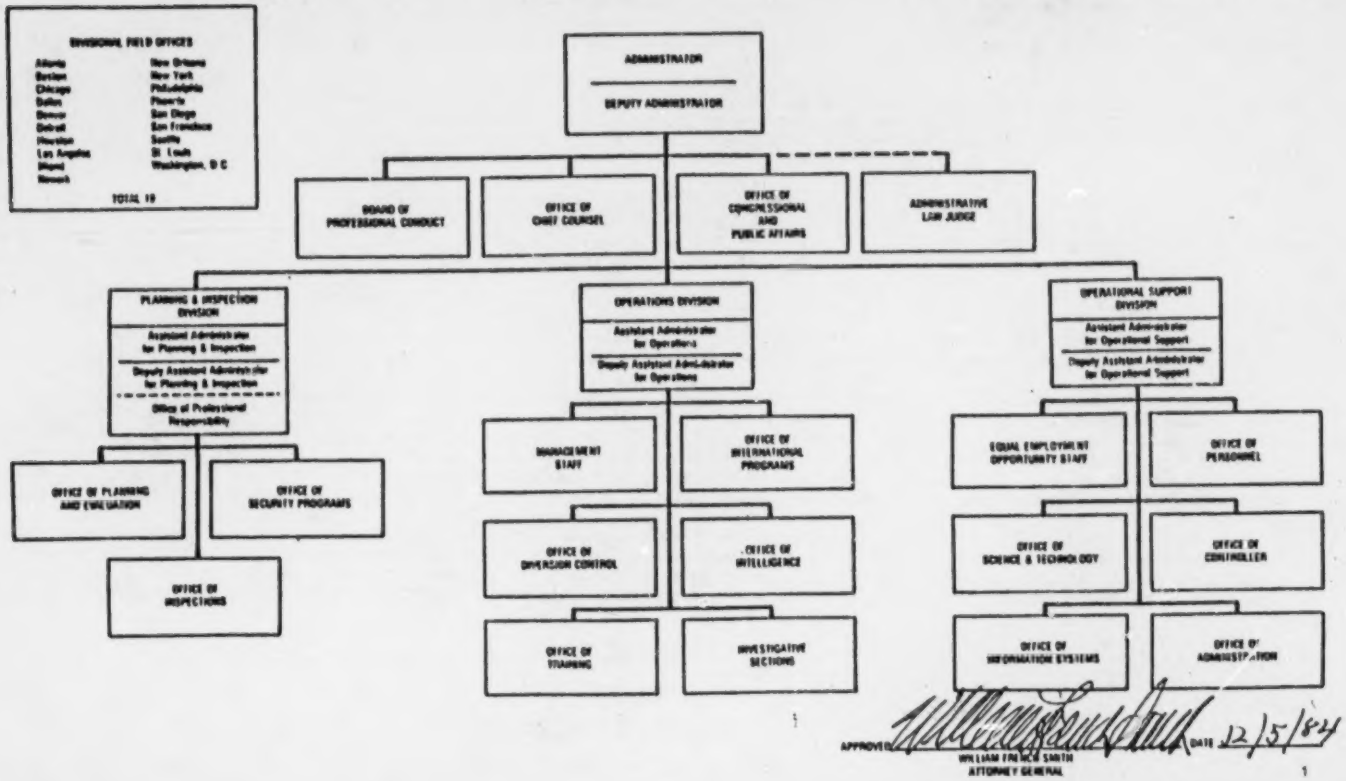
Department of Justice
Drug Enforcement Administration
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Crosswalk of 1986 Changes	6
Summary of Requirements	7
Summary of Resources by Program	8
Justification of Program and Performance	9
Financial Analysis - Program Changes	83
Priority Rankings	84
Detail of Permanent Positions by Category	85
Summary of Adjustments to Base	86
Justification of Adjustments to Base	87
Summary of Requirements by Grade and Object Class	92

1330

U.S. Department of Justice

Drug Enforcement Administration



APPROVED: William French Smith DATE: 12/5/84

WILLIAM FRENCH SMITH
ATTORNEY GENERAL

1331

Drug Enforcement Administration

Salaries and expenses

Summary Statement

Fiscal Year 1987

The Drug Enforcement Administration (DEA) is requesting for 1987, a total of $411,329,000, 5,051 permanent positions, and 4,834 workyears. This represents an 8 percent increase in budget authority, a 3 percent increase in positions, and a 2 percent increase in workyears over the enacted 1986 appropriation of $380,000,000, 4,895 positions, and 4,753 workyears. This request includes net program increases of $25,212,000, 156 positions, and 75 workyears, and net uncontrollable changes of $6,117,000 and 6 workyears.

The success of DEA's mission is critical to the future of our country. We must ensure that drug traffickers are apprehended, their drugs removed from the marketplace, and their profits and financial assets confiscated. The problem is twofold: (1) the enormous profits available attract both traditional and non-traditional organized crime, not withstanding the deterrent effect of severe penalties, and (2) the demand for drugs appears not to have abated, providing the ready market for international and domestic traffickers. The former aspect is being met by the burgeoning cooperative activities among the agencies charged with stopping drug traffic. The latter aspect is being addressed by a wide-range of private and public resources, and DEA is participating extensively through the Sports Drug Awareness Program.

This request combines the need for additional resources to continue the progress achieved to date against drug trafficking, with the necessity to limit Federal spending. The major initiatives and resource requests for these activities and programs are summarized below.

Enforcement of Federal Law and Investigations

The Domestic Enforcement program goal is to reduce the availability of illicit narcotics and dangerous drugs in the domestic marketplace, and to disrupt the drug traffic through the arrest and prosecution of major violators and the removal of their financial assets. In 1987, increases in this activity will include additional agent and investigative support resources targetted at specific investigative opportunities which have a high payoff in terms of the impact on trafficking in cocaine, heroin, and dangerous drugs.

The Foreign Cooperative Investigations program objectives are to motivate and assist foreign countries in the development of drug law enforcement and ancillary programs to reduce the supply of illicit drugs produced, processed, and destined for ultimate delivery to the United States. DEA provides expert advice, authorized investigative and intelligence sharing, and training in those foreign areas deemed most critical to the reduction of drugs destined for the U.S. Substantial resources were added to by the Congress and approved by the Administration in 1985 and 1986. The ongoing base program will be continued for 1987.

The Diversion Control activity encompasses the investigation and prevention of the diversion of legitimately produced controlled substances. This includes (a) registering legitimate manufacturers and dispensers of controlled drugs, (b) determining points of diversion into the illicit market, (c) conducting targetted investigations of major violators, (d) conducting periodic investigations of manufacturers, wholesalers, and import/exporters, (e) investigating pre-registrants, (f) scheduling and classifying controlled drugs, (g) authorizing imports and exports, (h) establishing manufacturing quotas, and (i) providing assistance and guidance to the states.

This program was appropriated substantial resources in the 1985 supplemental to administer the Administrative Revocation provisions of the 1984 Comprehensive Crime Control Act. In 1987, the on-going base program will be continued, but with a program decrease of $2,700,000 related to the Administration's decision not to implement a new State Assistance grant operation under DEA's overall Diversion Control program.

The State and Local Assistance program addresses cooperative law enforcement activities with state, county, and local authorities which benefit the Federal drug enforcement program. Included under this program are training programs for law enforcement officers and forensic chemists, laboratory support for law enforcement agencies, and support for law enforcement activities of the Federal/State and local task forces. This program includes State and local task forces resource initiatives launched by the Administration and Congress in the 1985 Drug Initiative Supplemental. In 1987, the on-going base programs under this activity will be continued, but will include a program decrease of $88,000 resulting from a new Administration policy requiring State and local law enforcement officials receiving training from DEA to pay that portion of the costs relating to food, or lodging.

Intelligence

Activities include the collection, analysis, and dissemination of drug and drug-related information in support of DEA, other Federal, State and local efforts to interdict or suppress the illicit movement of drugs. This provides a systematic approach to the identification of traffickers and the assessment of their vulnerabilities. It also supplies information for policy determination and enforcement strategy development. For 1987, this activity includes additional resources in support of Organized Crime Drug Enforcement Task Force (OCDETF) investigations.

Research and Engineering

This research program supports the enforcement, compliance, and intelligence investigative functions through the development of specialized covert equipment, operational engineering, and scientific support.

Support Operations

This program provides for (a) laboratory analysis of evidence and expert testimony in support of investigative and prosecution of drug traffickers, (b) training programs for all levels of DEA operational personnel, (c) maintenance of an effective technical equipment program, including aircraft operations, (d) provision of ADP and record management systems, and (e) the provision of responses to requests made under the Freedom of Information and Privacy Acts. In 1987, this activity includes additional chemists for drug evidence handling and analysis, and funds for radio communications and secure voice requirements. Resources are also included to initiate full encryption and TEMPEST-rating of DEA telecommunications and teleprocessing systems to allow operations in a secure environment.

Program Direction

This program provides the overall management and direction of DEA. Included in this program is (a) the development of coordination and definitive policy, program analysis and planning, (b) budget preparation and financial management, (c) congressional and public affairs, (d) legal counsel, and (e) administrative support functions. The base program will be continued.

Drug Enforcement Administration

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include the proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter enclosed in brackets.

Salaries and expenses

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed [seven hundred fifty-two] five hundred seventy-five passenger motor vehicles of which four hundred eighty-nine are for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; [$380,000,000] $411,329,000, of which not to exceed $1,200,000 of which not to exceed $1,200,000 for research shall remain available until expended and not to exceed $1,700,000 for purchase of evidence and payments for information shall remain available until September 30, [1987.] 1988: Provided, That notwithstanding the provisions of 31 U.S.C. 3302, the Administrator of the Drug Enforcement Administration may establish and collect fees to provide training to State and local law enforcement officers at the FBI Academy and credit such fees to this appropriation, to be used for expenses incurred in providing these services.

(Reorganization Plan No. 2 of 1973; Reorganization Plan No. 1 of 1968; 21 U.S.C. 801-966 as amended; 40 U.S.C. 304j; 41 U.S.C. 11(a); 49 U.S.C. 783; Department of Justice Appropriation Act, 1986; additional authorizing legislation to be proposed).

Explanation of change

1. In addition to the ongoing replacement program (489 replacement vehicles) the budget request provides for 80 passenger motor vehicles for new agent positions in the 1987 request, and 6 agent positions added by Congress in the 1986 budget for the Foreign Cooperative Investigations program.

2. The second change provides for a limited amount of current year funding for purchase of evidence and payment for information (PE/PI) to be available for a two-year period, until September 30, 1988.

3. The third change provides that DEA will assess fees for State and local law enforcement officers for training, such fees to be reimbursed to the DEA appropriation.

Drug Enforcement Administration

Salaries and expenses

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985

(Dollars in thousands)

Estimates by Program	1986 President's Budget Request			Senate and Administration Drug Initiative			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as enacted			Funds Sequestered					
																4.3% reduc.			Rev. Amt.		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Enforcement of Federal Law and Investigations :																					
Domestic enforcement	1,817	1,798	$127,777	18	18	$1,772	...	...	-$5,424	-315	-305	-$16,132	1,520	1,511	$109,993	...	...	-$4,730	1520	1511	$105,263
OCDE	372	358	38,028	234	234	21,028	...	...	-1,163	156	157	2,121	762	749	60,014	...	...	-2,581	762	749	57,433
Foreign coop investigations	365	350	37,528	47	47	5,127	11	5	408	2	-10	-758	425	392	42,305	...	...	-1,819	425	192	40,486
Diversion control	507	488	28,226	...	...	...	...	...	2,606	-11	-10	-2,132	496	478	28,700	...	...	-1,234	496	478	27,466
State and local assistance :																					
State and local training	25	24	2,014	...	...	...	...	...	-7	5	5	609	30	29	2,616	...	...	-112	30	29	2,504
State and local laboratories	23	23	1,537	...	...	...	...	...	-7	2	2	-23	25	25	1,507	...	...	-65	25	25	1,442
State and local task forces	122	119	13,826	9	9	1,900	...	...	-631	71	69	4,765	202	197	19,860	...	...	-854	202	197	19,006
Subtotal, State and local assistance	170	166	17,377	9	9	1,900	...	...	-645	78	76	5,351	257	251	23,983	...	...	-1,031	257	251	22,952
Intelligence	334	321	17,737	...	...	...	...	...	-83	9	12	1,585	343	333	19,239	...	...	-827	343	331	18,412
Research and engineering	17	16	2,370	...	...	...	...	...	-5	2	2	101	19	18	2,466	...	...	-106	19	18	2,360
Support operations :																					
DEA laboratory services	190	178	12,452	4	4	669	...	...	-47	-3	4	-3,070	191	186	10,004	...	...	-430	191	186	9,574
Training	34	33	3,535	...	...	...	...	...	-8	8	7	1,560	42	40	5,087	...	...	-218	42	40	4,869
Technical operations	185	177	22,427	2	2	412	...	...	-47	27	26	897	214	205	23,689	...	...	-1,019	214	205	22,670
ADP and telecommunications	120	113	19,044	...	...	...	...	...	-31	2	2	8,725	122	115	27,738	...	...	-1,193	122	115	26,545
Records management	91	87	3,992	...	...	...	...	...	-23	-3	-4	-368	88	83	3,601	...	...	-155	88	83	3,446
Subtotal, Support operations	620	588	61,450	6	6	1,081	...	...	-156	31	35	10,814	657	629	70,119	...	...	-3,015	657	629	67,104
Program direction :																					
Executive direction and control	228	218	12,578	6	6	300	...	...	-60	30	25	1,927	264	249	14,745	...	...	-634	264	249	14,111
Administrative services	134	125	8,278	...	...	...	...	...	-35	18	18	193	152	143	8,436	...	...	-363	152	143	8,073
Subtotal, Program direction	362	343	20,856	6	6	300	...	...	-95	48	43	2,120	416	392	23,181	...	...	-997	416	392	22,184
Total	4,564	4,428	351,349	320	320	33,208	11	5	-4,557	...	...	...	4,895	4,753	380,000	...	...	-16,340	4,895	4,753	363,660

Drug Enforcement Administration

Salaries and expenses

Crosswalk of 1986 Changes

(Dollars in thousands)

Budget Activity	1986 President's Budget Request			Senate/ Administration Drug Initiative			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Appropriation as enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1.Enforcement of federal laws and investigations :															
A. Domestic Enforcement	2,189	2,156	$165,805	252	252	$24,800	...	...	-$6,587	-159	-148	-$14,011	2,282	2,260	$170,007
B. Foreign Cooperative Investigations	365	350	37,528	47	47	5,127	11	5	408	2	-10	-758	425	392	42,305
C. Diversion Control	507	488	28,226	...	...	...	...	...	2,606	-11	-10	-2,132	496	478	28,700
D. State and Local Assistance	170	166	17,377	9	9	1,900	...	...	-645	78	76	5,351	257	251	23,983
Subtotal	3,231	3,160	248,936	308	308	31,827	11	5	-4,218	-90	-92	-11,550	3,460	3,381	264,995
2. Intelligence	334	321	17,737	...	...	...	...	...	-83	9	12	1,585	343	333	19,239
3. Research and Engineering	17	16	2,370	...	...	...	...	...	-5	2	2	101	19	18	2,466
4. Support Operations	620	588	61,450	6	6	1,081	...	...	-156	31	35	7,744	657	629	70,119
5. Program Direction	362	343	20,856	6	6	300	...	...	-93	48	43	2,120	416	392	23,181
Total	4,564	4,428	351,349	320	320	33,208	11	5	-4,557	...	...	...	4,895	4,753	380,000

Senate/Administration Drug Initiative

These estimates were provided to Congress showing the effect in 1986 of the 1985 Senate/Administration drug initiative Supplemental Appropriation (P.L. 99-88).

Congressional Appropriation Actions

Congress, in the 1986 Budget, reduced DEA's request from $384,557,000 to $380,000,000 primarily in recognition that DEA will receive reimbursements through the Asset Forfeiture Fund; and further earmarked $3,200,000 for specified programs. These adjustments are reflected in this column.

Reprogrammings

Funds were reallocated from equipment and other areas for operations shortfalls which had to be funded to maintain the progress achieved through the Organized Crime Drug Enforcement Task Forces initiative. Additional adjustments were made primarily to reflect the level of resources being allocated to the State and Local Task Force program. On July 24,1985, reprogramming notifications covering 1985 and 1986 were submitted to Congress reflecting these changes.

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1986 as enacted	4,895	4,753	$380,000
Savings resulting from management initiatives	...	...	-500
Uncontrollable increases	...	6	14,245
Decreases (automatic non-policy)	...	...	-7,628
1987 Base	4,895	4,759	386,117

Estimates by budget activity	1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement of Federal law and investigations :															
A. Domestic enforcement	2,282	2,162	$151,463	2,282	2,260	$170,007	2,282	2,260	$171,418	2,394	2,316	$180,018	112	56	$8,600
B. Foreign cooperative investigations	414	366	34,649	425	392	42,303	425	398	44,827	425	398	44,827	...	...	...
C. Diversion control	496	306	17,761	496	478	28,700	496	478	28,096	496	478	25,396	...	...	-2,700
D. State and local assistance	257	243	20,848	257	251	23,983	257	251	25,255	257	251	25,167	...	...	-88
2. Intelligence	343	287	18,109	343	333	19,239	343	333	19,802	362	341	20,542	19	8	740
3. Research and engineering	19	15	1,571	19	18	2,466	19	18	2,534	19	18	2,534	...	...	...
4. Support operations	657	589	71,569	657	629	70,119	657	629	70,373	682	640	89,033	25	11	18,660
5. Program direction	438	425	28,042	416	392	23,181	416	392	23,812	416	392	23,812	...	...	...
Total	4,906	4,393	344,012	4,895	4,753	380,000	4,895	4,759	386,117	5,051	4,834	411,329	156	75	25,212

Drug Enforcement Administration

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase / Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement of Federal Law and investigations :																		
Domestic enforcement	1,520	1,496	$114,661	1,520	1,451	$101,211	1,520	1,511	$109,993	1,520	1,511	$114,091	1,632	1,567	$122,691	112	56	$8,600
OCDE	762	541	43,284	762	711	50,252	762	749	60,014	762	749	57,327	762	749	57,327	.	.	...
Foreign cop investigations	414	348	37,736	414	366	34,649	425	392	42,305	425	398	44,827	425	398	44,827	.	.	...
Diversion control	496	359	17,887	496	306	17,761	496	478	28,700	496	478	28,094	496	478	25,396	.	.	-2,700
State and local assistance :																		
State and local training	30	29	2,521	30	23	1,991	30	29	2,616	30	29	2,677	30	29	2,589	.	.	-88
State and local laboratories	25	25	1,486	25	30	1,821	25	25	1,507	25	25	1,545	25	25	1,545	.	.	...
State and local task forces	202	190	19,222	202	190	17,036	202	197	19,860	202	197	21,033	202	197	21,033	.	.	...
Subtotal, State and local assistance	257	244	23,229	257	243	20,848	257	251	23,983	257	251	25,255	257	251	25,167	.	.	-88
Intelligence	343	326	18,954	343	287	18,109	343	333	19,239	343	333	19,802	362	341	20,542	19	8	740
Research and engineering	19	18	2,452	19	15	1,571	19	18	2,466	19	18	2,534	19	18	2,534	.	.	...
Support operations :																		
DEA laboratory services	191	183	10,702	191	166	10,122	191	186	10,004	191	186	10,042	198	189	10,765	7	3	723
training	42	40	5,059	42	43	4,825	42	40	5,087	42	40	4,701	42	40	4,701	.	.	...
Technical operations	214	204	25,438	214	193	25,948	214	205	23,689	214	205	23,886	223	210	32,953	9	5	9,067
ADP and telecommunications	122	115	26,890	122	111	27,607	122	115	27,738	122	115	28,037	131	118	36,907	9	3	8,870
Records management	88	83	3,466	88	76	3,267	88	83	3,601	88	83	3,707	88	83	3,707	.	.	...
Subtotal, Support operations	657	625	71,555	657	589	71,569	657	629	70,119	657	629	70,373	682	640	89,033	25	11	18,660
Program direction :																		
Executive direction and control	277	257	15,359	277	268	17,159	264	249	14,745	264	249	15,007	264	249	15,007	.	.	...
Administrative services	161	152	8,677	161	157	10,883	152	143	8,436	152	143	8,805	152	143	8,805	.	.	...
Subtotal, Program direction	438	409	24,036	438	425	28,042	416	392	23,181	416	392	23,812	416	392	23,812	.	.	...
Total	4,906	4,366	353,794	4,906	4,393	344,012	4,895	4,753	380,000	4,895	4,759	386,117	5,051	4,834	411,329	156	75	25,212
Reimbursable Workyears		25			20			25			25			25			...	
Total Workyears		4,391			4,413			4,778			4,784			4,859			75	
Other Workyears :																		
Holiday		10			10			10			10			10			...	
Overtime :																		
ADP		530			533			565			565			574			9	
Other		32			32			35			35			36			1	
Total Compensable Workyears		4,963			4,988			5,388			5,394			5,479			85	

Drug Enforcement Administration

Salaries and Expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement of Federal Law and Investigations Subactivity: Domestic Enforcement	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic Enforcement.....	1,520	1,511	$109,993	1,520	1,511	$114,091	1,632	1,567	$122,691	112	56	$8,600

Long-Range Goal: To reduce the domestic supply of illicit drugs and to seriously disrupt or eliminate the organizations trafficking in those drugs.

Major Objectives:

To eliminate all domestic production and/or cultivation of illicit drugs.

To identify and seize as much drug evidence and related assets as possible from those individuals and organizations involved in the illegal drug trade.

To investigate and prepare for successful prosecution all major drug cases developed or received.

To respond to all appropriate requests for assistance from Federal, state and local law enforcement agencies involved in the fight against illegal drug production, cultivation and trafficking.

Base Program Description: This program addresses the national problems of: the manufacture, cultivation and distribution of illegal drugs; the criminal investigations relating to the diversion of legally produced drugs into the illicit market; and the disruption or elimination of the individuals and organizations who distribute these illegal substances. The major thrust of the domestic enforcement program is the elimination or immobilization of the individuals and groups at the highest echelons of domestic drug production, smuggling and distribution organizations.

To address these problems, DEA utilizes various methods and activities in support of the major objectives stated above. The first step in eliminating the supply or distribution of illegal drugs is the identification of the source and individuals involved. This is accomplished through confidential informants, intelligence gathered from other sources and referrals from other Federal, state and local authorities. Once

this is accomplished, evidence is gathered through undercover and reverse undercover operations, audio/video surveillance, Title III operations, and where warranted, establishment of a Special Enforcement Operation (SEO). When sufficient evidence is gathered, Federal, state and local prosecuting authorities receive the case for preparation for prosecution resulting in the indictment, arrest, and trial of the defendants involved. Concurrent with criminal prosecution is the seizure and initiation of forfeiture proceedings to remove all drug related assets from the individual or organization charged. Major violators and heads of organizations are targetted for continuing criminal enterprise prosecution which carries a 10-year to life sentence and allows for asset forfeiture of those items identified as part of the criminal enterprise proceeds. Prosecution of individuals or groups need not be confined to violation of drug laws. Where warranted, more and more use is being made of Racketeer Influenced Corrupt Organization (RICO) and IRS statutes. These laws are conspiratorial in nature and upon conviction allow consecutive sentences to be imposed, in conjunction with the sentence for drug law violation. In all these efforts and activities, maximum coordination and assistance is rendered to and received from other Federal, and state and local enforcement agencies where appropriate.

Accomplishments and Workload: The accomplishments for this program will be addressed for each drug type. A summary of major program measures follow:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Workhours by Class of Case:				
Class I	1,173,618	1,224,548	1,231,000	1,287,000
Class II	161,191	255,959	257,400	267,500
Class III	294,460	348,226	349,900	364,200
Class IV	24,463	43,352	43,500	43,900
Total	1,653,732	1,872,085	1,881,800	1,962,600
DEA Initiated Arrests by Class of Case:				
Class I	3,087	3,135	3,300	3,410
Class II	974	1,024	1,080	1,120
Class III	1,757	1,549	1,610	1,660
Class IV	449	470	485	485
Total	6,267	6,178	6,475	6,675
Federal Referral Arrests	1,086	1,344	1,400	1,535
DEA Cooperative Arrests	1,725	2,940	3,110	3,120
Total Domestic Arrests	9,078	10,462	10,985	11,330
Convictions				
Federal Courts	5,678	5,734	6,010	6,205
State Courts	2,339	1,806	1,880	1,940
Drugs Seized				
Heroin (Kg.)	281	393	410	430
Cocaine (Kg.)	4,218	16,008	16,300	16,500
Dangerous Drugs (000 D.U.)	9,823	21,374	22,240	22,870
Cannabis (Kg.)	551,665	723,736	742,960	745,560

(Heroin)

Because of its virulent impact on national health and crime, heroin remains one of DEA's major priorities. Since virtually all heroin used in the U.S. is imported, domestic efforts are aimed at preventing heroin from reaching American markets through the disruption and immobilization of drug smuggling and distribution networks. The major source of heroin imported into the U.S. is the Southwest Asian countries of Pakistan, Afghanistan and Iran. However, there are recent identifiable increases in the heroin imported from Southeast Asia and Mexico.

In 1986, DEA increased the investigative effort in heroin cases by 6 percent over 1984. In 1986, the level of heroin investigative time will remain constant, and with the provision of the additional resources requested for 1987, a 9 percent increase is planned. Throughout the 1984-1987 period, the percentage of time devoted to case class I and II heroin investigations is expected to remain at 78-80 percent.

DEA initiated heroin arrests were up 3 percent in 1985, the percent of heroin arrests in case class I and II rose from 63 percent in 1984 to 71 percent in 1985. DEA plans to maintain the case class I and II heroin arrest level at nearly 70 percent of total heroin arrests through 1987. These arrests resulted in a 1985 increase in heroin seized of 112 kilograms over the 1984 level. This represents an 40 percent increase. DEA plans to maintain a 4-5 percent annual increase in the amount of heroin seized in 1986 and 1987.

DEA is proud of the accomplishments achieved in 1985, and anticipates significant accomplishments in 1986 and beyond. A sample of DEA investigative results is shown below.

- The Seattle Division, working with the U.S. Customs Service, intercepted 212 pounds of Southeast Asian heroin which was concealed in ice buckets and transported into the United States by two Chinese defendants. A major Thai trafficking organization has been surfaced and a major heroin trafficking route from the far east to the United States has been disrupted.
- The Chicago Division, working with the FBI, monitored several Title III's which were further enhanced by extensive DEA undercover penetration into the infamous Herrera Mexican heroin trafficking organization. This investigation was culminated with the arrest of 108 defendants in 5 states, the seizure of 16 pounds of heroin, 8 pounds of cocaine, 17 pieces of real estate, 30 vehicles, 20 weapons, and $250,000 cash. This investigation dealt a major blow to a significant segment of the Herrera organization that has been so well entrenched in the U.S.
- The Los Angeles Division and the Vienna Country Office, with the assistance of the Austrian police, culminated an extensive undercover operation by DEA that followed an intricate trail leading to the Hague, Turkey, Canada, and Austria. A well organized group of Iranian traffickers delivered a kilo of heroin to DEA Agents in Los Angeles followed by a 50 kilogram heroin delivery at Vienna. Nineteen significant traffickers were arrested and an additional 10 kilograms of morphine base and 6 kilograms of opium base were seized. Several expensive properties in Los Angeles were seized and are targetted for forfeiture. The successful culmination of this case has resulted in the immobilization of one of the most important international heroin trafficking organizations in Europe which impacts the heroin supply in the United States.
- The Houston Division successfully penetrated a Mexican heroin trafficking organization with undercover agents of the DEA Laredo office. This investigation culminated with the arrest of 90 defendants, seizure of over five pounds of heroin and more than two pounds of cocaine. This investigation disrupted a major heroin trafficking network from Mexico and a cocaine distribution network from Bogota, Colombia.

Heroin program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Work Hours by Class of Case:				
Class I	322,489	319,332	319,300	352,300
Class II	43,629	56,433	56,400	61,600
Class III	80,929	97,164	97,200	105,700
Class IV	4,069	5,744	5,700	6,200
Total	451,116	478,673	478,600	525,800
DEA Initiated Arrests by Class of Case				
Class I	363	390	410	430
Class II	169	226	240	250
Class III	291	236	250	260
Class IV	22	18	15	15
Total	845	870	915	955
Federal Referral Arrests	201	201	220	230
DEA Cooperative Arrests	285	291	310	325
Total Domestic Heroin Enforcement Program Arrests	1,331	1,362	1,445	1,510
Convictions				
Federal Courts	858	868	910	955
State Courts	361	302	320	335
Heroin Seized (Kg.)	281	393	410	430

(Cocaine)

The recent rise of cocaine as a popular drug of abuse to such groups as young affluent professionals, entertainers and athletic figures is well documented. Recent estimates of the amount of cocaine that will be smuggled into this country indicate that between a minimum of 77 metric tons and a maximum of 153 metric tons of cocaine will enter the U.S. in 1985. Since no coca plants are grown domestically, the domestic enforcement effort will be aimed at preventing the cocaine from being smuggled from Latin American source countries; the identification, location and seizure of domestic clandestine cocaine conversion laboratories; and the disruption or elimination of cocaine trafficking organizations.

In attacking these targets, DEA will continue to employ the proven investigative techniques identified earlier in this package. Additionally, DEA will continue to work closely with the other Federal, and state and local enforcement agencies which, as in the case of heroin, have proven so successful.

59-584 O—86——43

In 1985, DEA increased the investigative effort in cocaine cases by 27 percent over 1984. DEA plans a 1-3 percent annual increase in investigative time devoted to cocaine through 1986 and 1987. Throughout the 1985-1987 period the percent of investigative workhours devoted to case class I and II cocaine investigations has been, and will remain, 78 percent.

In 1985, DEA initiated cocaine arrests were up by 20 percent and total cocaine arrests were up by 32 percent over the 1984 level. Additionally, the percent of DEA initiated cocaine arrests in case class I and II rose from 63 percent in 1984 to 66 percent in 1985 and is planned to remain constant at that level through 1987.

In 1985, DEA seized 11,790 kilograms more cocaine than were seized in 1984. A modest 5-6 percent annual increase over 1985 is planned for 1986 and 1987. Additionally, 26 cocaine conversion laboratories were seized in the United States. This is the largest number of cocaine conversion laboratories ever seized in the United States.

Some recent cases that demonstrate DEA's impact on domestic cocaine trafficking include:

- During early October 1984, the Miami Division Office initiated an investigation against the international cocaine trafficking organization of Eduardo Garcia-Paniagua. It was determined that large amounts of currency were being transported from the U.S. to Panama for deposit in Panamanian banks. The initial strategy of the investigation was based on a DEA informant introducing undercover agents to Garcia-Paniagua to establish a money laundering scheme. During the ensuing months Garcia-Paniagua advised the agents of trafficking activities and enlisted their aid in furthering his cocaine trafficking ventures. Garcia-Paniagua used the informant to establish stash houses in Florida. During September 1985, the DEA Santo Domingo Office coordinated with Dominican officials to allow Garcia-Paniagua's aircraft to fly through the Dominican Republic to Colombia. On September 19, 1985, the aircraft returned from Colombia and was seized along with 1,068 pounds of cocaine. The two pilots were arrested. Simultaneously, Federal complaints were obtained and Garcia-Paniagua and four confederates were arrested in Miami on September 20, 1985. Additionally, assets valued at $1,370,000 have been seized in conjunction with this investigation.
- On January 16, 1985, approximately 85 kilograms of cocaine were seized in Las Vegas, Nevada. Nine defendants were arrested and one aircraft was seized. This case was initiated in Miami and involved the use of the Turks and Caicos Islands as a refueling and staging area for the smuggling operation. During negotiations relative to the importation of the seized cocaine it became apparent that officials of the government of the Turks and Caicos islands were involved in the smuggling operation. Included were the Prime Minister, the Minister of Finance, and a member of the legislature of the Turks and Caicos Islands. During January and February several meetings between a cooperating individual, these officials and DEA agents took place to establish future cocaine smuggling ventures. During these meetings $30,000 was given to the government officials to ensure a safe haven for the smuggling operation. On March 5, 1985 a meeting was held in Miami to finalize the arrangements. At this meeting an additional $30,000 was provided to the defendants to provide future protection and a safe haven on South Caicos Island. Upon departure from the meeting the three officials and a documented cocaine smuggler were arrested by DEA Miami.
- Information provided to the DEA Long Island Resident Office by a confidential informant indicated that three major Colombian cocaine distribution networks had reached an understanding whereby they would pool their resources to convert cocaine base into cocaine hydrochloride in the United States. Toward that end conversion laboratories would be set up at various rural locations along the eastern seaboard. Investigative efforts during April-June 1985, revealed that operating cocaine conversion laboratories were located in Fly Creek, New York and Gordonsville, Virginia. On July 10, 1985, DEA seized the two laboratories and in the process seized 147 pounds of processed cocaine, 100 pounds of cocaine base and over 5,000 gallons of various cocaine conversion essential chemicals. Additionally, 8 individuals, including two Colombian nationals, were arrested.

Cocaine program measures include the following:

Item	1984	1985	Estimates 1986	1987
Investigative Workhours by Class of Case:				
Class I	513,090	573,611	579,300	595,600
Class II	69,062	145,067	146,400	150,100
Class III	128,724	190,809	192,400	196,900
Class IV	12,294	10,607	10,700	10,500
Total	723,170	920,094	928,800	953,100
DEA Initiated Arrests by Class of Case:				
Class I	1,119	1,473	1,540	1,590
Class II	453	509	540	560
Class III	851	861	890	920
Class IV	71	156	170	170
Total	2,494	2,999	3,140	3,240
Federal Referral Arrests	247	196	200	210
DEA Cooperative Arrests	983	1,708	1,800	1,850
Total Domestic Cocaine Enforcement Arrests	3,724	4,903	5,140	5,300
Convictions:				
Federal Courts	1,967	2,168	2,270	2,340
State Courts	881	783	820	840
Cocaine Seized (Kg.)	4,218	16,008	16,300	16,500

(Dangerous Drugs)

In contrast to heroin, cocaine and cannabis, which are all derivatives of plants, dangerous drugs are all chemically manufactured. The four major drugs of concern to this program are methamphetamine, methaqualone, PCP and LSD. All of these substances are produced domestically. Methamphetamine and PCP are legally produced in this country; methaqualone and LSD are not. These four drugs and the other lesser abused dangerous drugs find their way into the illicit drug market in two ways. The first is through diversion of legally produced drugs into the illegal market, and the second is the illegal production of these substances in clandestine laboratories located throughout the U.S. Since production of dangerous drugs requires processes and substances not associated with the other drugs of concern to DEA, some of DEA's enforcement efforts are aimed in two directions not associated with the usual drug investigation targets. The first is the identification, location and elimination of the clandestine laboratories established to manufacture illicit dangerous drugs. Second is the restriction of the availability of the precursors known to be required for the manufacture of dangerous drugs. DEA has had success gaining the support of precursor manufacturers in reporting large sales of these substances. While these investigations are important, the primary thrust of DEA's efforts is the investigation, arrest and prosecution of the individuals and groups trafficking in these illicit drugs. Dangerous drug investigations emanate from the traditional sources discussed in the opening section of this package and from the additional source of the Diversion Control program, which is a separate DEA decision unit.

In 1985, DEA increased the investigative effort in dangerous drug cases by 12 percent over 1984. In 1986, the level of investigative time will remain constant, and with the provision of additional resources requested for 1987 a 4 percent increase will be realized in that year. The percent of dangerous drug investigative time devoted to case class I and II dangerous drug investigations rose from 80 percent in 1984 to 83 percent in 1985, and is planned to remain at that level through 1987.

DEA initiated dangerous drug arrests were up 7 percent in 1985, the percent of case class I and II dangerous drug arrests rose from 71 percent in 1984 to 72 percent in 1985, and total dangerous drug arrests were up 39 percent over 1984. In 1986 and 1987, DEA plans to maintain the dangerous drug case class I and II level at 73 percent and show an across-the-board 4-6 percent annual increase in dangerous drug arrests.

In 1985, as compared to 1984, an additional 109 clandestine laboratories and additional 11.5 million dosage units of dangerous drugs were seized. A modest 4-6 percent annual increase is planned for 1986 and 1987.

Recent investigative efforts in the area of dangerous drugs have netted some significant successes. The result of investigations shown below serve as examples of these successes.

- On July 3, 1985, DEA, in cooperation with the Bureau of Alcohol, Tobacco and Firearms, Los Angeles Police Department, and IRS, culminated a 60 day Title III investigation with the execution of civil warrants on the assets of the "Chemical Shed", a California corporation involved in the retail sale of precursor chemicals and laboratory equipment utilized in the clandestine manufacture of controlled substances. Execution of the warrants resulted in the seizure of 3 "Chemical Shed" retail stores located in Canoga Park, San Bernadino and Ventura, California; all chemical and laboratory equipment of these stores valued at $240,000; real property valued at $140,000; municipal bonds valued at current market rate worth $120,000; cash and negotiable checks valued at $250,000; and 7 vehicles which included 5 vans. Throughout the investigation a total of 7 clandestine laboratories were seized. These laboratories had the capability to manufacture PCP, Fentanyl (synthetic heroin), methamphetamine, and convert cocaine. A total of 72 arrests were made. The corporate officers will be indicted on racketeering influenced corrupt organization statutes. This case is especially significant because it eliminated a chemical supply house which supplied precursor chemicals and equipment to clandestine laboratory operators.

- During late December 1984 - early January 1985, the Atlanta Division seized a large methamphetamine laboratory. The laboratory had enough chemicals on hand to produce approximately 30-40 million dosage units. The owners of the laboratory were arrested in Las Vegas, NV. Also seized were a residence worth $400,000; a lab house worth $100,000; and miscellaneous vehicles, boats and other property worth $550,000. Later in the investigation, 47 kilograms of 90 percent pure methamphetamine was seized from a storage warehouse rented by the defendants. This case is significant because this laboratory is one of the largest ever seized and had such tremendous potential for production of methamphetamine for distribution on the illicit market.

1345

Dangerous Drugs program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Work Hours by Class of Case:				
Class I	162,512	178,994	179,000	185,700
Class II	21,874	34,369	34,400	35,600
Class III	40,771	40,078	40,100	41,400
Class IV	3,894	3,697	3,700	3,800
Total	229,051	257,138	257,200	266,500
DEA Initiated Arrests by Class of Case:				
Class I	575	626	670	700
Class II	125	131	140	150
Class III	219	243	250	260
Class IV	65	53	50	50
Total	984	1,053	1,110	1,160
Federal Referral Arrests	35	16	10	10
DEA Cooperative Arrests	230	669	710	740
Total Domestic Dangerous Drug Enforcement Arrests	1,249	1,738	1,830	1,910
Convictions:				
Federal Courts	759	777	810	850
State Courts	560	419	430	450
Dangerous Drugs Seized (000 D.U.)	9,823	21,373	22,240	22,870
Dangerous Drug Clandestine Laboratories Seized	194	329	350	400

(Cannabis)

Cannabis remains the primary drug of choice in the United States. The cannabis products abused in this country include marijuana, hashish and hashish oil. Since 89 percent of the cannabis products are produced in foreign countries, the major thrust of DEA's enforcement activities is aimed at the immobilization or elimination of the trafficking organizations smuggling cannabis into this country.

In addition to the traditional investigative methods, DEA has instituted a highly successful program of domestic cannabis eradication. At its inception in 1981, only 7 states elected to participate. In 1984, 48 states participated and in 1985, all 50 participated. DEA's strategy in this program is to provide varying levels of support to each participating state in relation to the scope of the marijuana problem and the level of effort being performed by the state. In implementing this strategy, DEA provides training, equipment, funding, aircraft and investigative support to encourage the state to develop an aggressive program of cannabis eradication within its boundaries.

One of the specific methods that DEA encouraged the states to employ was the use of the herbicide paraquat. However, after spraying cannabis plots in two national forests, court challenges by environmental groups resulted in a temporary restraining order against the use of paraquat on Federal land until an environmental impact statement (EIS) was completed, and a label change was effected through EPA and the manufacturer. DEA proceeded to develop the EIS and published the final document on July 26, 1985. DEA published a draft of the EIS for non-Federal land in May 1985.

In 1985, investigative efforts in cannabis cases decreased by 14 percent from 1984. In 1986 and 1987, the cannabis investigative workhours are planned to remain constant. The percent of cannabis investigative time devoted to case class I and II cannabis investigations remained relatively constant at 80 percent in 1985 and is planned to remain constant through 1987.

While DEA initiated cannabis arrests were down significantly in 1985, the increase in DEA cooperative and Federal referral arrests were such that the 1985 total cannabis arrests were only down 11 percent. Modest increases are planned for 1986 and 1987.

In 1985, 26 eradication schools were conducted, training a total of 953 law enforcement officials from other Federal, state and local agencies. DEA stepped up its priority for air missions to this program and as a result, 604 missions totalling 1,151 hours were flown. Finally, direct eradication efforts resulted in: eradication of nearly 4.0 million cultivated plants in over 30,000 plots; seizure of 1,500 weapons; and the arrest of 5,000 individuals. Of the plants destroyed, approximately 25 percent were of the high potency sinsemilla variety.

In 1984, the acts of violence and use of booby traps in 11 southern states by marijuana growers protecting their crops prompted DEA to include booby trap detection and avoidance as part of the curriculum in the eradication schools. As result of that training, no successful activation of a booby trap has occurred against a law enforcement officer taking part in an eradication effort during 1985.

Specific case examples include:

- On January 11, 1985, as a result of an 18-month joint investigation by agents of the Drug Enforcement Administration, Internal Revenue Service, Federal Bureau of Investigation and the Ft. Lauderdale, Florida, Police Department, a Federal Grand Jury sitting in Ft. Lauderdale returned an indictment charging Raymond Michael Thompson and 10 associates with the following: Conspiracy under RICO statutes by committing multiple acts of homicide, kidnapping, Conspiracy to Commit Homicide and Kidnapping (3 counts drug related) and Conspiracy to Possess, Import and Distribute approximately 2,000,000 pounds of marijuana during a 3-year period. Thompson is also charged with conducting a Continuing Criminal Enterprise and Income Tax Evasion for the years 1978 through 1980. Thaddeus John Pryor, former instructor at the Broward County Police Academy, is charged with conspiracy to distribute marijuana. On February 1, 1985, a Federal Grand Jury in Ft. Lauderdale, Florida returned a 28-count superceding indictment additionally charging Steadman S. Stahl, Jr. and Alfred Ciffo, two prominent Ft. Lauderdale defense attorneys, and Rafael Rodriguez-Echeverria, retired General of the Dominican Republic, with Conspiracy to Obstruct Justice and Conspiracy to Impede the Internal Revenue Service's portion of the investigation. Arrest and seizure warrants were also returned for assets such as yachts, automobiles, and real properties, (including the Annapolis, Florida Yacht Center) with a total appraised value in excess of $4,000,000.
- On January 9, 1985, a 48-count indictment was returned in the Eastern Judicial District of Virginia charging 26 defendants with various charges including: conspiracy to distribute controlled substances, distribution of controlled substances, filing fraudulent tax returns, interstate transportation to the aid of racketeering, currency violations, attempting to intimidate grand jury witnesses, and possession of machine guns and silencers. Three defendants: Christopher Reckmeyer, Robert Reckmeyer, and Bruce Wayne Thomason were also charged under continuing criminal enterprise (CCE) statutes. On October 23, 1985, an additional indictment was returned charging 1 more defendant with CCE, 2 with racketeering influenced criminal organization (RICO), and 2 with machine gun charges. This investigation was initiated in April 1981, and was designated as a Presidential Task Force (forerunner to OCDE) investigation with DEA as the lead agency and full time participation by U.S. Customs, IRS and the Virginia State Police. Part time support was provided by the FBI and ATF. On October 5, 1983, a reverse undercover operation was directed against this organization resulting in the seizure of $851,000 in cash and 32

1347

oriental carpets worth $35,000. Since then assets worth in excess of $8,000,000 have been seized. To date, 28 defendants have been indicted, of which 19 have been convicted and sentenced to between 90 days and 17 years. The Reckmeyer brothers received 17 years. Three defendants are awaiting trial and 6 remain fugitives.

- During the week of August 6-9, 1985, Operation Delta 9 was conducted. This 50-state marijuana eradication operation was the subject of much pre-publicity. Despite the publicity, through the coordinated efforts of DEA and the more than 2,000 Federal, state and local officers who participated the results of this operation exceeded the planned goals. Specifically, 404,870 plants were eradicated from 3,010 plots; 225 people were arrested; 78 weapons were seized; and $1.1 million in cash as well as other physical assets were seized. Finally, this operation sent a clear message to other producing countries that the United States regards marijuana eradication as a priority matter.

Cannabis program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Investigative Work Hours by Class of Case:				
Class I	175,527	152,611	153,400	153,400
Class II	26,626	20,090	20,200	20,200
Class III	44,036	20,175	20,200	20,200
Class IV	4,206	23,304	23,400	23,400
Total	250,395	216,180	217,200	217,200
DEA Initiated Arrests by Class of Case:				
Class I	1,030	646	680	690
Class II	227	158	160	160
Class III	396	209	220	220
Class IV	291	243	250	250
Total	1,944	1,256	1,310	1,320
Federal Referral Arrests	603	931	970	990
DEA Cooperative Arrests	227	272	290	300
Total Domestic Cannabis Enforcement Program Arrests	2,774	2,459	2,570	2,610
Convictions:				
Federal Courts	2,094	1,921	2,020	2,060
State Courts	537	302	310	315
Cannabis Seized (Kg)	551,665	723,736	742,960	745,560

Domestic Marijuana Eradication program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Cultivated Plants Eradicated	3,800,000	4,000,000	4,300,000	4,300,000
Plots Eradicated	19,000	30,000	35,000	35,000
Arrests	4,941	5,000	5,800	5,800
Weapons Seized	1,424	1,500	1,800	1,800

Program Changes:

A total increase of 112 positions (80 agents, 10 professional/administrative, and 22 technical/clerical) 56 FTE workyears, and $8,600,000 is requested in the Domestic Enforcement program to support the cocaine, heroin and dangerous drug investigative efforts. A detailed discussion by drug type is provided below:

(Expansion of Domestic Heroin Investigations to Counter Increases in Availability of Mexican Heroin)

DEA is requesting 65 positions (48 special agents, 4 professional/administrative, and 13 clericals); 32 FTE; and $5,100,000 to enhance the investigative efforts of DEA offices on the Mexican heroin pipeline extending to the United States. Although it is too early to specify where the additional manpower will eventually be assigned, the important areas for enhanced enforcement action are likely to be the Dallas, Houston, Phoenix and Los Angeles Divisions. These divisions have a high concentration of Mexican heroin traffickers who have close relational ties with major heroin sources of supply in Mexico. There has been an increase of Mexican heroin in the United States marketplace. The Mexican Government has been unable to control opium poppy production and heroin conversion in Mexico. Therefore, DEA must increase enforcement activity on the United States side of the border to prevent America from being saturated with high quality Mexican heroin. Current reviews of information and the lack of Mexico's ability to cope with its heroin problem points to the fact that Mexico will be an ever-increasing source of heroin to the cities of the United States.

Specific planned accomplishments are shown in the table below:

Statistic	1987	Annually
Investigative Workhours	24,100	96,350
Arrests	30	300
Convictions		
Federal Courts	...	200
State Courts	...	75
Heroin Removed (Kilo)	10	100

(Cocaine Expansion of Special Enforcement Operations)

DEA is requesting 19 positions (13 special agents, 3 professional/administrative, and 3 clericals); 10 FTE and $1,400,000 to expand the following current Special Enforcement Operations (SEO's) aimed at reducing the current Colombian cocaine problem.

The objective of Operation CHEM CON is to reduce and disrupt to trafficking groups the supply of certain chemicals essential to the conversion of coca paste to cocaine HCL. Also, by selectively tracking suspect shipments of these chemicals in international commerce, DEA has been able to locate illicit cocaine laboratories in source countries. This has resulted in enormous seizures of chemicals, coca paste and cocaine HCL.

This SEO has met with tremendous success in the reduction of ether availability for cocaine conversion. With the resources requested, CHEM CON will be expanded to further its impact on other essential chemicals for cocaine conversion. The first such chemical is acetone. This substance presents special problems because it is so widely produced for legitimate purposes. The second is potassium permanganate, one of the principal producers of which is the Peoples Republic of China. Another important part of the expansion of CHEM CON will be its attention to investigating the attempt currently underway by a Colombian cocaine group to build and operate its own ether manufacturing facility.

Operation BOOKKEEPER is designed to collect, catalog, cross reference and analyze codes, package markings, and other encrypted data obtained through the seizure of accounting ledgers, shipping and financial records and seized drugs in unrelated investigations. The analysis of this data has enabled DEA to link evidence in approximately 125 major investigations and identify 70 of the most important traffickers who are responsible for the majority of the global supply of cocaine HCL. As this data is developed, it is used to enhance existing prosecutions or as the basis of new prosecutions. The resources requested will allow DEA to reduce its current backlog of accumulated, unprocessed data and thereby allow prosecuting authorities to strengthen their cases by showing more conspiracy.

Operation PIPELINE will utilize the requested resources for training and further development of expertise on the part of state and local police in the identification, interception, arrest and prosecution of cocaine couriers using surface transportation systems to convey drugs and drug money between drug suppliers and buyers. This SEO has met with tremendous success in several states and DEA is attempting to expand the program to other states along the major interstate corridors.

In 1987, DEA will devote an additional 16,100 investigative agent workhours to these SEO's. On an annual basis that increase will be approximately 65,000 hours. The nature of the SEO's being expanded by this increase does not allow for accurate estimation of statistical results. The primary impact of the SEO's concerned will be to take away required materials needed for conversion of cocaine, to understand the inner workings of cocaine trafficking organizations in order to develop conspiratorial cases, and to take away the street product and funds by having State and local police intercept and arrest couriers and seize the drugs and money being transported by cocaine organizations.

1350

(Expansion of Domestic Dangerous Drug Investigations to Identify, Locate and Seize Clandestine Dangerous Drug Manufacturing Laboratories)

DEA is requesting 28 positions (19 special agents, 3 professional/administrative, and 6 clericals); 14 FTE; and $2,100,000 to enhance its program of domestic dangerous drug investigations leading to the identification, location and seizure of clandestine dangerous drug manufacturing laboratories. This will be accomplished in close coordination with the current precursor liaison program that DEA has in place with the legitimate chemical industry.

The precursor liaison program is one of DEA's major information sources leading to the identification, location and ultimate seizure of a clandestine laboratory. Through the cooperative efforts of the 19 precursor liaison coordinators in DEA field offices and the legitimate chemical industry, information has been developed that has resulted in the seizure of approximately 40 percent of the laboratories seized in the last 5 years. With state and local assistance, DEA has participated in the seizure of approximately 220 laboratories per year over that same time period.

Additionally, DEA has recently initiated an SEO, Operation ORIGINATION. This operation is intended to reduce the availability of chemicals required for the illegal production of dangerous drugs. As this SEO is expanded to include foreign manufacturers of these chemicals, DEA expects that an additional 1,500 to 2,000 investigative leads will be developed, each of which will require a follow-up by the responsible field office.

DEA expects that the information provided by the increased investigative resources will result in the planned statistical accomplishments shown in the table below:

Statistic	1987	Annually
Investigative Workhours	9,300	37,200
Arrests	15	150
Convictions	13	125
Laboratories Seized	5	50

1851

Activity: Enforcement of Federal Law and Investigations Subactivity: Domestic Enforcement	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime Drug Enforcement...	762	749	$60,014	762	749	$57,327	762	749	$57,327	...	...	...

Long-Range Goal: To identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy or immobilize the operations of those organizations.

Major Objectives:

To promote a coordinated drug enforcement effort in each task force region, and to encourage maximum cooperation among all Federal enforcement agencies.

To work fully and effectively with state and local drug enforcement agencies.

To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, in order to identify and convict high level traffickers and to seize assets and profits derived from high level drug trafficking.

Base Program Description: - Organized crime is involved in drug trafficking. The major organizations that this program addresses are:
- Traditional organized crime figures in coordination with the Strike Forces;
- Major outlaw motorcycle gangs (e.g., Hells Angels, Pagans, Outlaws, or Bandidos);
- Other organized criminal groups (e.g., major street gangs, prison gangs);
- An organization that is importing and/or distributing large amounts of controlled substances, or is financing the foregoing; or
- Physicians or pharmacists illegally dispensing substantial quantities of prescription drugs.

Thirteen Organized Crime Drug Enforcement Task Forces (OCDETF) have been established in the following regions. The Headquarters city for each of the task forces is indicated in parenthesis:

New England (Boston)
New York/New Jersey (New York)
Mid-Atlantic (Baltimore)
Southeast (Atlanta)
Gulf Coast (Houston)
South Central (St. Louis)
North Central (Chicago)
Great Lakes (Detroit)
Mountain (Denver)
Los Angeles/Nevada (Los Angeles)
Northwest (San Francisco)
Southwest Border (San Diego)
Florida/Caribbean (Miami)

The overall program goal is accomplished by:

- Devoting more Federal resources to the investigation and prosecution of these high-level cases;
- Coordinating and integrating the activities of Federal investigative and prosecutorial agencies on selected cases; and
- Making maximum use of financial investigative techniques.

Task force operations are planned and coordinated through a network of committees representing participating agencies and under the general direction of the Deputy Attorney General. At the national level, a working group formulates general policy and monitors the program with the assistance of a small administrative unit in the Department of Justice. In each of the 13 regions, the U. S. Attorney in the "core city" manages task force operations through the Task Force Coordinating Group. This group approves and monitors all task force investigations in the region to ensure that investigations are consistent with program goals and objectives, and that appropriate interagency coordination takes place.

Individual task force cases are investigated and prosecuted by multi-agency teams in the judicial districts within each region.

Agents and attorneys in individual task force cases remain under the direct supervision of their respective agencies, but conduct investigations jointly with other task force agents and attorneys. Leadership responsibility for a specific case is decided on a case-by-case basis and assumed by one of the investigative agencies.

The resources in this program reflect the priority placed on these high-level investigations. More than 500 agent workyears were applied to these cases in 1985 and as a result of the 1985 supplemental appropriations, more than 550 agent workyears will be available in 1986 and 1987.

Accomplishments and Workload: In 1985, DEA devoted over 802,000 investigative workhours to 299 OCDE cases. These efforts resulted in 2061 arrests and 984 convictions, a 9 percent increase over 1984. In 1986 and 1987, the full impact of the 1985 supplemental will be felt as DEA devotes increasing investigative workhours to this program. Those hours are expected to yield 6-9 percent annual increases in arrests and 10-30 percent increases in convictions in each of these years.

- In April 1984, an OCDE case was opened against a Lahore based heroin organization that had been under investigation by DEA Pakistan and several domestic offices. This Pakistani organization was credited with smuggling multikilogram heroin shipments into Canada and the U.S. From April-June 1984, 12 cooperative DEA/FBI wiretaps resulted in the arrest of Najeeb Ur RAHMAN and six associates. In June 1985, RAHMAN was convicted on 18 counts of narcotic and continuing criminal enterprise violations. His sentence totalled 175 years and $50,000 in fines plus confiscation of nearly $170,000 in real property and two automobiles. This sentence is one of the largest ever handed down in the State of Nevada's Federal judicial history. Another defendant, George MURPHY, has been a documented heroin violator since the early 1970's and his conviction in this case represents the first successful narcotics violation prosecution against him. Of the seven arrested, four have been convicted or plead guilty and sentenced, two are awaiting trial in December 1985, and one was acquitted.

- From 1983 to 1985, a cooperative DEA/FBI OCDE case was conducted against the BANDIDO motorcycle club in Washington State. Through the use of a cooperating individual who penetrated the club from 1983 through February 1985, evidence was gathered relative to the club's methamphetamine manufacture and distribution. On February 21, 1985, a national roundup netted 13 of the 14 targetted club members, most of whom were past or present national and chapter officers. While the trial of these individuals is still pending, this investigation led to the opening of eight additional OCDE cases that resulted in the arrest of an additional 85 individuals during February 1985.

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
OCDE approved cases involving DEA	253	299	350	350
DEA/OCDE Arrests	1,817	1,980	2,100	2,380
Assets Seized ($000)	$64,516	$110,010	$218,000	$250,000
Convictions	698	984	1,010	1,115

Activity: Enforcement of Federal Law and Investigations
Subactivity: Foreign Cooperative Investigations

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign Cooperative Investigations	425	392	$42,305	425	398	$44,827	425	398	$44,827	...	...	...

Long-Range Goal: To reduce the supply of drugs of foreign origin destined for the United States illicit market.

Major Objectives:

To conduct, at the request or convenience of the host government, high quality cooperative investigations aimed at eliminating the supply of illicit drugs destined for the United States, and disrupt or eliminate the organizations trafficking in those drugs.

To gather and analyze as much intelligence as possible concerning illicit drugs of foreign origin destined for the United States.

To satisfy all appropriate requests from foreign governments for training of their respective law enforcement officials.

Base Program Description: This program addresses the problem of drugs of foreign origin which are destined for consumption in the United States illicit market. The majority of illicit drugs available in the United States are of foreign origin. DEA's overseas efforts are directed at assisting host governments in the development of programs aimed at reducing the supply of drugs at or near the agricultural source; immobilizing foreign clandestine conversion laboratories; identifying export staging areas and interdicting the drugs; and in reducing the diversion of legitimate drugs from international commerce. In the 1985 and 1986 time frames, the Administration and Congress recognized the ongoing need for additional resources to assist foreign narcotics control authorities in the suppression of illicit narcotics traffic actually or potentially impacting the United States. The 37 overseas positions approved in the 1985 Supplemental in September 1985 and the 11 positions earmarked in the 1986 Appropriation in December 1985, are being staffed at the present time. DEA overseas presence is at the initiation of the host country. DEA is represented in 62 offices in 42 countries. The basic authorities for this Decision Unit are Reorganization Plan No. 2 of 1973 and Executive Order 11727 of 1973. This program is carried out in coordination with the Department of State in foreign areas, Department of Justice guidelines and in accordance with P.L. 94-329, which is referred to as the Mansfield Amendment. In addition to the social and economic threat posed by the supply of foreign-source drugs into the United States, there are other factors which relate directly to the activities of this program. These include:

- The level of acceptance of DEA's presence and assistance in foreign countries varies because of such factors as the degree of motivation, national price, political instability and capabilities of the host country.
- Many foreign governments appear to consider "drug abuse" a western phenomena; however, with the proliferation of drug abuse problems in other countries, this attitude appears to be changing especially in Pakistan where the addict population is estimated to be as high as 100,000.
- Some source countries have not been able to establish effective drug control in rural areas due to such obstacles as geography, limited and antiquated communications, and time-distance considerations. Denied access areas such as Iran, Afghanistan, Laos and Northern Burma pose even greater obstacles due to a complete lack of diplomatic dialogue.

- The consequences of traditions, conflicting jurisdictions, and divided provincial and tribal authority preclude effective narcotics control in many countries.
- Illicit drug cultivation provides a significant income, which in many areas is traditional and not easily replaceable.
- International "legal" money transactions are an essential element of the world illicit drug traffic.
- Foreign government drug intelligence collection, production, and dissemination systems, particularly those directly supportive of U.S. drug enforcement efforts may be in need of improvement.

DEA foreign activities focus on the provision of expert advice and authorized investigative, intelligence, and training assistance in those foreign areas deemed most critical to the reduction of drugs destined for the U.S. A natural extension of these programs is DEA encouragement and assistance in the implementation of substantive intergovernmental enforcement cooperation and intelligence exchanges.

Intelligence collection activities overseas are supplemented through the development and implementation of Special Field Intelligence Program (SFIP) operations. The purpose of SFIP operations is to provide funding to exploit highly specialized or unique collection opportunities against a wide variety of intelligence problems in foreign areas. These efforts are largely targetted toward collection of data on all phases of narcotic raw material production; smuggling routes and methods; trafficking and abuse patterns, as well as other matters of collateral interest, such as terrorist or financial matters relating to narcotics activities. This material--reported and disseminated through DEA channels--provides foreign, domestic and headquarters line and management personnel with detailed and accurate information which can be used for investigative as well as planning purposes.

Specifically, DEA has in recent years worked with such countries as Pakistan, Turkey, France, Italy and Mexico to develop the necessary intelligence to move against clandestine conversion laboratories, smuggling organizations, cultivation areas, and the organizations responsible for the trafficking of illicit drugs around the world. Additionally, DEA has maintained the necessary political liaison to influence the legislation process in various host countries in an effort to establish drug laws where none previously existed or where weak. Finally, DEA is making inroads into international financial investigations through the cooperation of host countries and the international banking and financial communities.

The diversion of legitimately-produced controlled substances from international channels has become a problem directly affecting the United States. DEA has responded to the problem by establishing international diversion programs in such cities as Bonn, Germany and Mexico City.

As a result of diplomatic initiatives undertaken by DEA and the Department of State, foreign countries continue to make significant advances toward curbing the diversion of legally-produced drug substances. For example, all known methaqualone source countries have either ceased production or severely limited its exportation.

Accomplishments and Workload:

(Heroin)

Since virtually all heroin consumed in the United States is of foreign origin, DEA has active heroin programs in 58 foreign locations. The primary source regions for production of heroin are the Southwest Asian countries of Pakistan, Afghanistan and Iran; the Southeast Asian countries of Burma, Thailand, and Laos; and Mexico. DEA's focus in combatting heroin in these areas is to provide expert advice and/or investigative assistance, authorized investigative intelligence, and training in the areas deemed most critical to eliminating heroin production and smuggling.

DEA's efforts in combatting the production and importation of heroin have had several results that cannot be measured solely in terms of arrests or drugs/assets seized.

- In India, the host government has responded favorably to DEA and placed acetic anhydride, a primary chemical for converting morphine base to heroin, on their Essential Chemicals Control List. This has resulted in an increased awareness by the Indian authorities of the trafficking of Indian acetic anhydride to the heroin refineries at the Thai-Burma border and increased enforcement efforts have shown positive results in limiting the availability of acetic anhydride for illicit use. Several substantial seizures of acetic anhydride have taken place and it is reported that the price of acetic anhydride has increased 10 fold at the Thai-Burma heroin refineries.

- In Mexico, two special enforcement operations, VANGUARD and PRE-LAB, continue to impact on the illicit opium poppy cultivation through eradication and the control of essential conversion chemicals. Operation VANGUARD will be highlighted later as it impacts on illegal marijuana cultivation in Mexico.

- Heroin availability in the United States is derived from foreign source countries. Therefore, most DEA investigative efforts involve more than one country. A case in point is the investigation of a European heroin trafficker located in Spain who subsequently moved his laboratory operation to France and then to Switzerland. DEA followed this investigation with the Spanish, French, and Swiss police. A fully operational heroin laboratory was seized in Switzerland resulting in the seizure of 26 pounds of heroin and the arrest of five defendants including three chemists. This is the first heroin laboratory seized in Switzerland. The French police arrested 38 defendants following the laboratory seizure. Nine of the defendants are part of the old "French Connection" group.

(Cocaine)

Virtually all cocaine abused in the United States comes from the South American countries of Colombia, Peru and Bolivia. Additionally, Mexico is a major transshipment country. Traditionally, the cocaine traffickers have been extremely powerful in these countries with strong influence at the upper echelons of the governments and judicial systems. That situation is beginning to change as the governments in these countries are starting to assert their legal authorities and pursue the cocaine traffickers. DEA will continue to support these governments in their quest to control cocaine trafficking.

Specifically, DEA focuses its efforts in three major areas of emphasis to help South American governments fight cocaine traffic. The first area is the eradication of the coca plant and crop substitution efforts to provide a viable economic alternative to citizens growing the plant. Second, DEA continues its efforts to control the essential chemicals necessary to convert the raw materials into cocaine hydrochloride. These precursors are ethyl ether, acetone and potassium permanganate. Finally, DEA, with the assistance and permission of the host government, runs international Title III operations and requests extradition of traffickers to this country for trial.

Supplemental funds provided DEA during 1985 allowed the expansion of efforts against cocaine by exploiting numerous opportunities to disrupt the operations of South American cocaine cartels. These opportunities are opening up because of the scope and insidiousness of their criminal enterprises and because of CCA and the persistence of the U. S. Government. With these resources, DEA is now in a position to further intensify high level pressure on these cartels. Further, South American coca growing countries are in the beginning stages of full scale coca eradication campaigns. Successful campaigns will have a long lasting effect because of the long maturation cycle of a coca plant. Due to the nature of these programs, it is difficult to estimate their quantitative impact on the workload or performance indicators, or when that full impact will be realized. DEA will closely monitor these programs so their impact can be measured as they progress.

- During June-July 1985, DEA Lima and DEA Bogota developed information concerning the location of a large cocaine conversion complex located in extreme eastern Peru close to the Colombian and Brazilian borders. DEA enlisted Peruvian and Colombian authorities to initiate a joint operational strike at the complex. During the week of August 12, 1985, the complex was raided by airborne personnel of both countries. The seizure resulted in five aircraft, 2,450 kilograms of cocaine paste, 3 cocaine conversion laboratories, 3,960 gallons of refining chemicals, a dormitory complex built to house 100 workers, and miscellaneous logistical equipment. The complex had been carved out of the jungle approximately 15 miles west of Leticia, Colombia, a major transshipment point for cocaine paste and cocaine hydrochloride. This operation was the first occasion where Peruvian and Colombian authorities conducted a joint operation.

- Operation PADRINO was initiated in April 1983 in Guadalajara, Mexico to investigate and immobilize a major cocaine distribution network operating between Colombia, Mexico, and the United States. This network is the result of the combination of a Honduran organization headed by Juan Ramon MATTA Ballesteros and a Mexican cocaine and heroin organization headed by Miguel Angel FELIX Gallardo. Although based in Guadalajara, Mexico, the organization had key members placed in Los Angeles; Miami; Phoenix; Madrid, Spain; and Cali, Colombia. From June 1984 - June 1985, an intense and coordinated enforcement effort with DEA field elements was conducted. In Arizona, the investigation resulted in the indictment of 24 individuals, including 11 foreign nationals, on August 29, 1985. Among these, for the first time, were MATTA and FELIX, as well as the chief money launderer for the organization, Alfaro MARDOQUEO-Margarino. In Los Angeles, more arrests and a second indictment for MATTA were obtained in June 1985. DEA and IRS currently have a case before Federal courts in El Paso, Texas wherein $6,500,000 belonging to the organization was seized in a bank account in El Paso, Texas. In Mexico, in February 1985, 220 pounds of cocaine and a conversion laboratory were seized. In Zurich, Switzerland, over $27,000,000 was seized from Jorge OCHOA Vasquez, a Colombian currently in custody in Switzerland and a U.S. fugitive. OCHOA is a close friend of Padrino head, MATTA. One of the most significant accomplishments to date was the arrest of MATTA in Cartegena, Colombia on April 29, 1985. To date, the overall cocaine seized from the organization totals approximately 5,272 pounds with a wholesale value over $121,000,000; property assets seized total over $5,000,000; cash and currency seizures total over $56,000,000. The overall total asset loss to the Padrino organization has been over $183,000,000.

(Cannabis)

Abused cannabis products take the form of marijuana, hashish and hashish oil. The traditional source countries for marijuana are Colombia, Jamaica, Mexico and Thailand. Hashish and hashish oil are predominantly imported from the Middle Eastern countries of Lebanon, Pakistan and Afghanistan, with Jamaica becoming a major source country for hashish oil. These products tend to be smuggled into this country in ton quantities using all land, sea and air routes.

In combatting the flow of cannabis products to this country, DEA uses all the same methods as in heroin and cocaine. Extensive use is made of the Special Field Intelligence Program (SFIP) and Special Enforcement Operations (SEO) . One such operation is VANGUARD. The results of this operation are provided below:

- Under the auspices of Operation VANGUARD, DEA assisted the Mexican Federal Judicial Police and a Mexican Army unit in a three-day sweep that resulted in the seizure of 10,000 tons of marijuana, 7,000 workers and 45 vehicles. Additionally, 22 DEA agents were temporarily assigned to Mexico to fly reconnaisance and verification missions with Mexican pilots.

- SEO PATH is intended to help DEA's Thai counterparts in a vigorous manual cannabis eradication program in eleven provinces in northern Thailand. This operation is scheduled to be conducted during the main cultivation/harvesting season of November 1985 - January 1986. DEA funds are supplementing the operating costs of 2,500 Thai soldiers who are conducting the actual eradication. Recent multi-ton seizures of Thai marijuana off the Pacific Coast reflect the increased availability of Thai marijuana to the U.S. market.

- In a precedent setting case, the U. S. District Court of Massachusetts has ordered the extradition of a U. S. citizen to Colombia to stand trial for drug law violations in that country. The defendant was extradited to Colombia after losing all his appeals. This is the first time for an action of this nature. Colombia, on the other hand, has just recently agreed to extradite eight of their citizens to stand trial in this country.

(Dangerous Drugs)

This program is aimed at combatting the flow of dangerous drugs and their precursor materials into this country and between countries. In this case, since most of the drugs of abuse in this category are manufactured here at home, the main target of DEA overseas efforts is the control of the flow of precursor chemicals into this country. It has become absolutely clear that there is an ongoing and growing need for increased liaison with foreign governments where these precursors are manufactured. Of special interest in this area is the training of foreign officials in the enforcement of the laws governing the international trade of the precursor materials.

- In October 1984, DEA Newark, DEA Frankfurt, and the Landeskriminalamt (LKA), the Stuttgart State Police of the Federal Republic of Germany (FRG), initiated an investigation of the importation of three tons of phenylacetone (P-2-P) and three tons of ecgonine from Germany into the United States. The investigation grew out of a telephone intercept initiated by the LKA in July 1984. It was determined that several defendants in the United States (New Jersey/New York) were conspiring with a group from West Germany to import both the phenylacetone and ecgonine. In early November, DEA Newark and the FBI initiated five Title III intercepts in New Jersey, and a sixth intercept in late November, also in New Jersey. While complications forced the violators to delay shipment of the P-2-P, the sixth intercept led to information that a large quantity of precursor material was still on hand in a Kearney, New Jersey warehouse. On December 5, a surveillance was conducted of a delivery of several drums of the on hand precursors to customers and the decision was made to effect arrest and seizure during the transfer of the drums. Subsequently, ten defendants were arrested in the United States and three in the FRG. Fifteen 55-gallon drums of P-2-P were seized in the FRG, and 12 drums in the United States as well as 11 drums of suspected additional precursor material for methamphetamine. Voluminous activity-related records were also seized in the United States and the FRG. The P-2-P was to be used in the manufacture of methamphetamine and ecgonine, which was to be purchased and smuggled later for conversion to synthetic cocaine. There is a one-to-one conversion ratio for both substances. Total P-2-P seized would have produced approximately 10,000 pounds of metamphetamine, valued in excess of 100 million dollars. A cooperating defendant stated that the P-2-P was being resold for $175,000 a drum in 15 drum lots and $225,000, if sold singly. Original acquisition costs in the FRG to violators was $41,000 for the 15 drums of P-2-P.

- During September 1985, Masashi TAKENAKA, the reputed head of the Yamaguchi Gumi, along with other high ranking members, was arrested in Hawaii as a result of a lengthy and extensive DEA investigation that involved the distribution of a total of 52 pounds of methamphetamine and 12 pounds of heroin to undercover agents in Honolulu. Eleven indictments have recently been filed. The Japanese National Police Agency has described the Yamaguchi Gumi as the largest Japanese organized crime "Yakuza" gang in Japan, with approximately 11,000 members. The negotiations in this case involved the exchange of methamphetamine for handguns and money. The handguns were to be used in a dispute between two rival Japanese organized crime gangs. This DEA investigation shows the involvement of high level Japanese organized crime figures in the smuggling of significant quantities of methamphetamine from Southeast Asia to the United States. It also reveals another feature of Asian-produced methamphetamine, its price advantage over domestically produced methamphetamine. The U.S. national average price for methamphetamine for 1984 was $33-39,000 per kilogram as compared to approximately $25,000 per kilogram for illicit Asian methamphetamine.

(Training Foreign Officials)

DEA requires the cooperation and assistance of competent law enforcement officials in and near the source countries of illicit drug production and smuggling to ensure success in DEA foreign cooperative investigations and assistance. To achieve this goal, DEA carries out a variety of training classes, both in the United States and in host countries with funding from the Department of State.

In 1985, DEA conducted 33 schools which trained 1,300 foreign students.

Summary of Foreign Cooperative Investigations Program measures include the following:

Item	1984	1985	Estimates 1986	1987
Foreign Cooperative Arrests	1,244	1,120	1,300	1,500
Intelligence Reports Prepared	105	105	105	105
Special Field Intelligence Program Operations (SFIP's)	30	58	58	58
Foreign Police Officials Trained	1,200	1,300	1,300	1,300

1859

Activity: Enforcement of Federal Law and Investigations Subactivity: Diversion Control	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Diversion Control.....	496	478	$28,700	496	478	$28,096	496	396	$25,396	...	..	-$2,700

Long Range Goal: To prevent legitimately produced controlled substances from being diverted into illicit channels.

Major Objectives:

To conduct high quality and timely criminal investigations of C-DEP I and II violators responsible for large scale drug diversion and participate in joint investigations with other agencies.

To conduct administrative revocation investigations which may result in the immediate revocation, denial, surrender or suspension of a DEA registration.

To conduct periodic unannounced investigations of drug manufacturers, distributors and wholesalers on a minimum three-year cycle.

To conduct pre-registrant investigations on a timely basis prior to the issuance of DEA registration.

To respond to requests from foreign countries to assist them in improving their operational efforts to prevent international drug diversion and to initiate and coordinate diplomatic efforts to eliminate diversion of controlled substances from international commerce.

To respond on a timely basis to the most critical requests from state governments to assist them in their drug diversion efforts through violator targeting, investigative techniques, drug control actions and in specific problem areas.

To swiftly identify all new substances which are being abused or have abuse potential and determine their placement in the appropriate GSA schedule; and provide a timely response to all requests from the United Nations concerning drug control issues.

To establish on a timely basis, manufacturing and production quotas on all substances with abuse potential to ensure that production does not exceed legitimate medical needs.

To issue declarations and permits to pharmaceutical firms authorizing the import/export of controlled substances and provide the United Nations with statistical reports of import/export transactions as required by the Single and Psychotropic conventions.

To register all legal handlers of controlled substances on a timely basis and provide to registrants the order forms necessary for them to purchase schedule I and II substances.

Base Program Description: The Diversion Control Program seeks to reduce to the maximum extent possible the diversion of legitimately produced controlled substances into illicit channels at all levels of distribution and to provide leadership and support to ensure that state and local agencies and the pharmaceutical industry establish and maintain programs and policies to control diversion.

1360

Drug abuse is one of the more serious problems facing America today. The high cost of drug abuse can be seen in our homes, schools, and factories. What is not well known is the role legally produced drugs play in the abuse problem. The President's Strategy Council on Drug Abuse reports that over seven million people use prescription drugs (barbiturates, amphetamines, tranquilizers) for non-medical purposes. Additionally, GAO reports that legal drugs are involved in as much as 70 percent of all drug-related injuries or deaths. It is estimated that over 700 million dosage units are diverted annually from the legitimate channels in which they are manufactured, distributed and dispensed. Of this amount, 90 percent are diverted at the lower level or dispensing level of the distribution chain.

As part of its responsibility to protect the health and general welfare of the American people, the Federal Government must respond to this problem. DEA is responsible for enforcing the provisions of the Controlled Substances Act, the Controlled Substances Import/Export Act, 21 U.S.C. 801-966 et seq., and the Comprehensive Crime Control Act as they pertain to legitimately produced controlled substances.

Targeted Registrant Investigations Program (TRIP)

It is estimated that approximately 12,000 practitioners are involved in violative acts. Under the Targeted Registrant Investigations Program (TRIP), DEA identifies the highest level violators responsible for large scale diversion and conducts high quality and timely criminal investigations of their diversion activities. These investigations are made more complex because they involve legally registered practitioners as well as financiers backed by organized criminal elements. The aforementioned groups hire physicians who prepare a constant stream of illegally controlled drug prescriptions which result in millions of dosage units being diverted into the illicit market.

Administrative Revocation Program

The Comprehensive Crime Control Act of 1984 created the Administrative Revocation Program through which DEA may deny an application for registration or immediately revoke or suspend a registration if it is determined that the issuance of such registration would be inconsistent with the public interest. This new authority will allow DEA to impact on the violative registrant population which could not be effectively attacked through existing authorities. As previously stated, approximately 90 percent of all diversion occurs at the practitioner level. This new investigative program will be directed entirely at the level. In 1987, we anticipate the revocation of over 400 registrations which conservatively translates into the removal of over 100 million dosage units from the illicit market each year. Considering that diverted drugs account for approximately 60-70 percent of drug mentions in hospital emergency room drug abuse episodes, this reduction in diversion should result in significant reductions in drug abuse injuries and deaths.

Unannounced Inspections

To ensure that diversion does not occur at the manufacturer, distributor or wholesaler levels of the distribution chain, DEA periodically conducts unannounced investigations of these pharmaceutical firms. By regulation, DEA is required to conduct cyclic investigations of these firms at least once every three years. Pre-registrant investigations are conducted on individuals and firms applying for DEA registration, which ensures that only qualified individuals or companies are authorized to acquire or dispense controlled substances. This prescreening is the first line of defense against the obtaining of a valid DEA registration by a potential diverter.

State and Local Assistance

The Crime Control Act of 1984 included a state assessment provision which requires DEA to assess state programs aimed at suppressing the diversion of controlled substances from scientific, medical, research and legitimate distribution channels. DEA is now responsible for identifying areas of need and areas where assistance, advice and counsel should be provided to state and local government officials in order to make existing state diversion prevention programs more effective.

Drug Scheduling

DEA is responsible for determining the appropriate placement of controlled substances in the CSA schedule. There are five established schedules, each of which imposes varying degrees of control over the prescribing, distribution, production, physical security and record-keeping requirements. Domestic scheduling actions are initiated in response to new drug applications referred from the Food and Drug Administration and changes in trafficking patterns and abuse trends. In addition to domestic scheduling actions, DEA is heavily involved in international drug control issues. DEA is the lead agency in the United States in providing diversion data to the United Nations Secretary General. Approximately 50 percent of DEA's scheduling activities involve international drug control issues which DEA is mandated by treaty to address.

Pursuant to the Drug Diversion Control Amendments of 1984, DEA is authorized to schedule a drug in Schedule I for up to one year on an emergency basis if it is determined that such scheduling is necessary to avoid an imminent hazard to public safety. Generally there are eight factors to be considered in scheduling a substance. Under this new authority DEA must consider only three: the history and current pattern of abuse of the drug; the scope, duration and significance of its abuse; and the risk to public health. This amendment reflects the concern caused by the rapid proliferation of controlled substance analogs (the so-called "designer drugs") including narcotics such as "China White," and the hallucinogens PCE or PHP which mimic the effects of PCP.

Schedules I and II consist of the most highly abused substances. DEA imposes a production quota on each substance listed in these schedules which limits the authorized production to the estimated legitimate medical and industrial requirements. When investigative information documents the substantial diversion and abuse of a schedule I or II drug, the production quota for that substance can be reduced. No individual or firm may dispense controlled substances unless they are registered with DEA. An annual registration requirement is currently imposed by DEA. The provision for three-year registration has been included in the Drug Diversion Control Amendments, and regulations implementing this will be issued soon. The three-year registration period applies to practitioners and pharmacies. The annual registration requirement for distributors and manufacturers will not change. In order for a registrant to order Schedule I or II substances, a DEA order form must be utilized. It is critical that DEA be prompt in providing these order forms to registrants because failure to do so precludes their being able to conduct business as usual.

Accomplishments and Workload: During 1985, 328 criminal diversion investigations were conducted resulting in the arrest of 190 individuals. Asset removals and criminal fines or civil penalties amounting to $2,919,033 were invoked. Also, during 1985, DEA conducted 579 cyclic investigations, 72 public interest revocation investigations and 1,276 pre-registrant investigations. Corrective action of varying degrees was required in 42 percent of the firms investigated. Letters of admonition were sent to 166 firms, 31 administrative hearings held, and 57 civil prosecutions resulted.

(Special Operations)

Special operations initiated against drug diversion have produced significant results. The Michigan Diversion Impact Program, for instance, has resulted in licensing action against eight pharmacies and ten registered pharmacists, with pending action against an additional six pharmacies, nine registered pharmacists and one wholesaler. The Michigan State Attorney General has filed civil complaints in all cases under investigation with proposed fines ranging from $52,000 to $12,000,000. Approximately 800,000 dosage units of schedule II drugs were seized. Operation Whitecoat, which took place in Nashville, is another example of these special operations. To date there have been fourteen arrests including three doctors, a pharmacist and ten street traffickers, financiers, and organizers, and an additional five arrests are anticipated. Approximately 200,000 dosage units of Schedule I and II controlled substances and $100,000 have been seized.

1362

(International Diversion Activities)

In recognition of the importance and effectiveness of DEA's international diversion activities, two additional Advisors on Compliance and Regulatory Matters (ACRMs) were approved for overseas - one of which has been assigned to Interpol Headquarters, St. Cloud, France, at the specific request of the Interpol Secretariat. The other will be placed in Panama City, Panama. There is now a total of five ACRM positions assigned overseas which are carried under the Foreign Cooperative Decision Unit. These positions, though few in number, have achieved great strides in curbing international diversion. Foreign governments have actively solicited DEA's assistance in the relatively undeveloped area of international diversion prevention. Through our diplomatic initiatives and operational efforts, major advances have been made throughout the world to prevent the international diversion of controlled substances. A striking example is the virtual elimination of most known foreign sources of diverted methaqualone in the United States.

Other major accomplishments in the prevention of diversion from international commerce were the European Source Country Conference held during May of 1984 in Rome, Italy, and drug diversion seminars held in Brazil, Venezuela, and Ecuador. During 1986, diversion seminars are scheduled to be held in Argentina and Chile. These seminars and conferences provide an excellent forum to develop solutions to international diversion matters affecting the United States. An indication of the effectiveness of these seminars was evidenced in Venezuela when, following the DEA Diversion Seminar, the Venezuelan National Police Academy requested DEA's assistance in integrating the subject of diversion control into their investigator training curriculum.

(Drug Scheduling)

In 1985, DEA used its newly authorized emergency scheduling power five times to place the most dangerous and prevalent of the controlled substance analogs (designer drugs) under the CSA. The substances scheduled were 3 methylfentanyl, a narcotic substance 1,000 times more potent than morphine; MDMA, an hallucinogenic amphetamine with potential neurotoxic effects; MPPP, a narcotic analgesic whose by-product, MPTP, has been responsible for a Parkinsonian syndrome in a number of individuals; PEPAP, a mepheridine analog similar to MPPP; and eight fentanyl analogs, extremely potent analgesics. In addition to the five emergency scheduling actions, DEA controlled 21 benzodiazepines to satisfy international treaty obligations and rescheduled buprenorhine.

In 1985, DEA established 911 production quotas and completed scheduling reviews on 40 substances, including 33 barbiturates for possible international control and THC, the primary active ingredient in marijuana, which was approved for marketing. In response to 1984 requests from the U.N., the World Health Organization and Interpol, DEA prepared reports on the abuse, diversion and illicit trafficking of 29 stimulants and hallucinogens.

(Seminars/Briefings/Training)

In 1985, DEA participated in over 25 National, state and local meetings using DEA experts in the field and 29 portable exhibits in furtherance of the program. The revision of the PHYSICIANS MANUAL and PHARMACISTS MANUAL was conducted to include provisions of the Crime Control Act of 1984 and the Controlled Substances Registrant Protection Act of 1984. Four DEA working committees for industry, pharmacies and drug wholesalers met and continue to provide the agency with a forum for discussing matters of mutual concern. DEA also conducted three seminars for state board and drug control investigators. The three-day sessions were attended by a total of 208 participants representing 43 states. An Advanced Diversion Training Institute was conducted for state regulatory officials during the annual conference of the International Narcotics Enforcement Officers Association (INEOA).

In 1985, DEA conducted a Domestic Drug Policy Conference on the control and diversion of controlled substances which was attended by officials from 43 states, Puerto Rico and the District of Columbia who have the authority to influence and establish controlled drug policy. This was the first such DEA-sponsored conference held since the enactment of the Controlled Substances Act of 1970. The conference provided a forum to share and exchange current information regarding legitimately marketed controlled drugs, explore the issues of drug control and diversion and provide guidance to both Federal and state officials responsible for making policy as it relates to controlled substances. As a follow-up to the national conference, DEA sponsored three state/Federal laws, innovative state initiatives and information collection systems.

Under the State Assistance Program, DEA made an initial assessment of each of the fifty states to determine their current capabilities and to identify those states which have the greatest need for investigative assistance, diversion control training, information collection and drug control legislation.

Other 1985 accomplishments include the processing of 2,194 import/export declarations and permits, 715,000 registration applications, and the issuance of 322,000 order form books.

Program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Cyclic investigations conducted	667	579	750	750
Complaint investigations conducted	226	248	310	400
Pre-registrant investigations conducted	1,885	1,276	1,276	1,276
Public interest revocation investigations	...	72	700	700
Import/export documents processed	1,841	2,194	2,000	2,000
Foreign regulatory programs	3	5	5	5
ARCOS profiles prepared	325	435	550	900
Scheduling actions completed	23	12	20	20
Quotas established	850	911	1,010	1,100
Registration applications processed	682,634	715,000	715,000	725,000
Order form books issued	320,158	322,000	322,000	325,000

Program Changes:

A program decrease of $2,700,000 will result from the Administration's decision not to implement a new State diversion control assistance grant program. The Comprehensive Crime Control Act of 1984 authorized the Attorney General to make grants to States for diversion control activities such as; conducting investigations and prosecutions, preventing and detecting forged prescriptions, and providing law enforcement and regulatory training. Congress, in the 1986 appropriation, earmarked $2.7 million of DEA's appropriation for this purpose. The Administration's policy is that such State and local grant programs do not have as urgent a priority as other enforcement efforts and responsibilities. Therefore, the $2.7 million is reflected as a reduction to DEA's 1987 appropriation request.

Activity: Enforcement of Federal Law and Investigations Subactivity: State and Local Assistance	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local training.....	30	29	$2,616	30	29	$2,677	30	29	$2,589	...	..	-$88

Long-Range Goal: To increase the competency of personnel in other organizations involved in controlling drug abuse and drug trafficking.

Major Objectives:

To provide training in basic, advanced, and specialized drug law investigation techniques and methodologies to state, local, military, and other Federal officers and forensic chemists.

To provide training in management and supervision of drug investigative units for state, local, military, and other Federal professionals.

To develop agency-wide resources for prevention of drug trafficking and abuse.

Base Program Description: The relocation of the Drug Enforcement Administration (DEA) Training program from the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia, to the Federal Bureau of Investigation Academy in Quantico, Virginia has been accomplished, except for the DEA International Training. That program will be transferred in June 1986. Co-location of training will result in more effective drug enforcement training for state and local recipients.

As a result of complicated laws throughout the nation, specialized skills and knowledge necessary to perform state and local drug enforcement require unique instruction and development. This training is difficult to obtain by other than that provided by DEA. The wide variety of training requirements call for a diversified approach which are integrated into these programs:

DEA will now be reimbursed for the meals and lodging of State and local police attending training courses at the FBI Academy, Quantico. Costs of instruction, facilities and other training expenses will continue to be paid by DEA. The change in policy, further described below, will bring DEA's State and local Training program into conformance with the practices of other Cabinet-level departments.

Advanced and Specialized Drug Law Enforcement Training

- The National Drug Enforcement Officers Academy is an eight-week course of basic instruction taught at Quantico. This academy provides the investigator with the skills required to effectively conduct a drug criminal investigation. It develops expertise in: surveillance, undercover operations, search and seizure laws, drug identification and pharmacology, financial asset investigations, physical fitness, and firearms proficiency. A unique aspect of the course is Methods-Of-Instruction training. This training enables the graduates to inpart their knowledge to fellow officers in their own units.
- DEA conducts a variety of field training throughout the country under the auspices of its nineteen division offices, to respond to the needs of investigators who cannot attend the Academy. The courses vary from the two-week Basic Investigators School through one to three-day seminars on specialized topics, e.g., Clandestine Lab Operations, and Conspiracy Seminars.

- Cannabis Detection and Eradication Training is coordinated by the Office of Training and presented throughout the United States. Training emphasizes utilizing aerial observation technology as a primary tool in identifying and locating illegal cultivation.

Management and Supervisory Drug law Enforcement Training

- Supervisory Drug Enforcement Officers Seminars provide management officials with the skills to direct a comprehensive drug enforcement program within their area of responsibility. The curriculum focuses on management techniques, priorities, inter-departmental cooperation and available Federal support.

Prevention Programs

- DEA is entering Phase II of the Sports Awareness program. The program is a joint undertaking of 40 organizations, including the International Association of Chiefs of Police and the National Football League and players associations. With the resources requested in this budget, DEA will meet its goal of providing prevention and education about drug abuse to the 57 million school age youth through clinics for their sport coaches and student-athletes.
- DEA plans to develop and provide technical assistance in drug prevention training to other law enforcement agencies. This will encourage their participation in community prevention programs.

Accomplishments and Workload:

(Advanced and Specialized Training)

- During 1985, DEA conducted two eight-week Drug Enforcement Officers Academy sessions which trained 40 State and local officers; and one three-week Supervisory Drug Enforcement Officers session, which trained 28 officials.
- State and local training classes conducted in field locations trained 14,230 state and local officers during 1985.
- Approximately 168 Army CID personnel were provided narcotics training by DEA during 1985.
- Cannabis Detection and Eradication Training was given in field classes for 650 state and local officers.
- During 1985, DEA trained 96 FBI agents in drug specialization training at FLETC. This training, which is now being given at Quantico, will continue to be provided to FBI agents at a rate of approximately 150 students per year. This pace will take care of the rotation of FBI agents in and out of narcotics duty.

(Management and Supervision Training)

- During 1985, DEA provided training for 647 state and local officers in supervisory drug enforcement.
- Specialty and management seminars were conducted for 1,142 state and local officers during 1985

(DEA Prevention and Education Programs)

- During 1985, DEA sponsored and participated in prevention clinics and seminars involving more than 8,000 coaches and provided packets of materials to participating coaches. To date DEA has distributed approximately 175,000 publications including "For Coaches Only" and "Team Up For Drug Prevention". These publications emphasize the special rapport between the coach and athlete, present information on the

1366

signs of drug abuse and provide guidance on how to establish prevention program. The program continues to target the 57 million school age youth, including out-of-school juveniles, through coaches and student-athlete leaders. DEA plans to conduct prevention seminars for an additional 15,000 coaches by the end of 1986 and provide agent speakers for related training and prevention events.

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
State and local Officials trained at DEA Training Center	353	350	350	350
State and local officials trained at field locations	5,337	9,105	9,105	9,105
FBI Special Agents trained	995	650	650	650
Participants in Sports Drug Awareness Clinics and Seminars	3,000	13,000	36,000	40,000

Program Changes:

A program decrease of $88,000 will result from a new Administration policy requiring State and local law enforcement officials receiving training from DEA to pay that portion of the costs relating to food or lodging. This reduction will bring DEA's State and local Training program into conformance with the practices of other Cabinet-level departments.

1367

Activity: Enforcement of Federal Law and Investigations Subactivity: State and Local Assistance	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Laboratory Service.....	25	25	$1,507	25	25	$1,545	25	25	$1,545	...	...	...

Long-Range Goal: To provide support to State and local law enforcement agencies through supplemental laboratory analysis of drug evidence, meeting applicable State Speedy Trial Act provisions and to aid and encourage State and local agencies in achieving forensic analytical self-sufficiency through provision of technical assistance.

Major Objectives:

To assist State and local laboratories to achieve self-sufficiency through the following:
- --Publication of technical information and participation in national and local forensic sciences meetings;
- --Provide training to forensic chemists on drug analytical techniques; and
- --Support to programs that assist in enhancing State and local laboratory capabilities (participation in American Society of Crime Laboratory Directors, American Academy of Forensic Sciences and regional professional associations);

To provide quantitative and qualitative analysis of drug evidence for those agencies that do not have laboratories, primarily the Metropolitan Police Department, Washington, D.C. (MPDC), and on difficult and complex exhibits requiring highly-specialized examinations for those agencies that do not have the necessary expertise or instrumentation.

To provide expert testimony in court relative to analytical findings for prosecutive purposes.

To provide analytical drug reference standards where there is no commercial source.

To conduct ballistics examinations of tablets and capsules to identify common origins of clandestinely-produced dosage units and to identify licitly-manufactured dosage units diverted to the illicit market.

Base Program Description: The State and Local Laboratory Services program is responsible for providing State and local agencies with technical assistance, which is beyond the expertise of the forensic laboratory servicing the agency and for helping State and local forensic laboratories achieve self-sufficiency in the analysis of drug evidence for criminal investigations and prosecutions.

This program includes seeking means to upgrade the analytical capabilities of State and local laboratories. When State and local agencies cannot provide laboratory services or need technical assistance in the development of prosecutive presentations and cross-examination of expert defense witnesses, DEA provides assistance. The major component is the analysis of drug evidence for duly constituted State, county, and municipal law enforcement agencies, assuring that cases developed will not be dismissed for lack of competent laboratory support. This program, in conjunction with other assistance programs, will help focus State and local law enforcement attention on the appropriate response to the drug problem.

DEA assists other agencies in achieving forensic analytical self-sufficiency by conducting training in drug analytical techniques; publishing and distributing the scientific newsletter Microgram; providing intelligence and technical information to the forensic community; publishing technical information in scientific journals; participating in national and local forensic meetings; and providing analytical drug reference standards. The program mission, under DEA--Reorganization Plan No. 2 of 1973 and 21 U.S.C. 872 and 873, is to conduct training programs for State and local forensic chemists and to provide laboratory support for State and local law enforcement agencies including analysis of drug evidence and expert testimony in State prosecutive cases.

This program analyzes drug exhibits in a timely manner in support of prosecutions, provides expert testimony, and conducts highly-specialized ballistics analysis of tablets and capsules to identify common origins of licit and illicitly-produced dosage units diverted to the illicit market. Expertise in the ballistics examination of drug dosage units rests solely with DEA.

DEA provides forensic analytical support to the Metropolitan Police Department, Washington, D.C. (MPDC), which is completely dependent on DEA for forensic drug analysis. Related to this analytical commitment is the resultant need to offer expert witness testimony in the D.C. Superior Court.

In general, other evidence analyzed within the State and local program which is of an unusual or difficult nature is analyzed by the DEA laboratory system as an aid to State and local forensic laboratories incapable of performing such analyses.

Accomplishments and Workload:

In support of other agency drug investigations during 1985, DEA laboratories analyzed 10,766 exhibits of drug evidence, testified in 64 trials, conducted 82 ballistics examinations, published 12 issues of Microgram, and conducted 4 State and local chemist seminars to train over 75 forensic chemists. Additionally, DEA actively participated in regional, national, and international forensic science organizations by holding officer positions, participating on committees, and presenting scientific papers. Representatives of the laboratory system held several meetings with officials of foreign law enforcement agencies to coordinate activities.

The success of this program in promoting self-sufficiency of state and local agencies can be partially measured in the reduction of evidence analyses from almost 16,000 exhibits in 1975 and 1976 to just over 9,000 exhibits in 1984; however, in 1985 there was an increase to almost 11,000 exhibits analyzed due to escalated workload generated by the MPDC, Washington, D.C., which relies totally on DEA for analysis of its drug evidence. Since tabulation of MPDC evidence submissions began in 1978, the number of exhibits analyzed for MPDC has increased from 5,803 exhibits (53% of state and local exhibits analyzed) to 7,548 (82%) in 1984. During 1985 there were 9,562 MPDC exhibits analyzed which was 89% of the total state and local analyses.

Program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Drug exhibit analyses	9,154	10,766	11,710	11,800
Ballistics examiniations	111	82	100	100
Issues of Microgram	12	12	12	12
Training conducted "seminars"	4	4	4	4
Court appearance	125	64	70	70
Evidence backlog	236	1,153	2,153	3,153

Activity: Enforcement of Federal Law and Investigations Subactivity: State and Local Assistance	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Task Forces.....	202	197	$19,860	202	197	$21,033	202	197	$21,033	...	...	...

Long-Range Goal: To reduce the drug availability and immobilize or eliminate drug trafficking organizations within the specific geographic/political boundaries under the jurisdiction of state and local law enforcement agencies.

Major Objectives:

To conduct in conjunction with the appropriate state and local agencies, high quality investigations leading to the arrest, prosecution and conviction of drug offenders significant to the specified area.

To seize as much drug evidence and drug related assets as possible from offenders arrested and prosecuted.

To establish and maintain an effective intelligence exchange with DEA's state and local police officers.

To conduct high quality on-the-job drug law enforcement training to participating state and local police officers.

Base Program Description: This program addresses the problem of reducing the drug availability and trafficking in specific geographic/political areas under the jurisdiction of state and local law enforcement agencies. Under this program, DEA special agents and state and local police officers are united into cohesive units that:

- enhance inter-department/interagency cooperation during drug investigations and the ensuing prosecution;
- facilitate the exchange of information and intelligence, and
- permit state and local officers to receive first hand experience and on the job training in the conduct of a drug investigation.

This program is not a unilateral assistance program. The state and local officers provide as much or more assistance to DEA as they receive. This is based on the following factors:

- By their sheer numbers, state and local police officers contribute significant amounts of manpower to the national drug law enforcement effort;
- By virtue of their presence in every city and state, these police officers cover areas DEA, with its fewer numbers, could never consider;
- State and local officers apply pressure to local drug dealers, thereby disrupting the area drug market and raising the costs of doing drug business;
- State and local officers develop investigative leads, informants and intelligence. Mutual exchange of this data with DEA agents assists both levels of drug law enforcement agencies in accomplishing their missions.

The Task Force program has proven itself an effective complement to the Federal drug enforcement effort by increasing the effectiveness of State and local drug enforcement activities aimed toward disruption of all levels of illicit drug trafficking. As part of a comprehensive national and international drug effort by Federal elements and their State, local and foreign counterparts, the Task Force program plays a critical role by attacking the mid-level violator, the link between the supplier and consumer. With disruption or removal of this link, the cycle of drug production and consumption--supply and demand--is significantly impeded. Moreover, the Task Force program provides DEA access to the lower levels of the trafficking spectrum, where investigations of new or unknown trafficking organizations are generally initiated, without a major investment of Federal resources.

At the end of 1985, there were 34 State and Local Task Forces operating out of the following metropolitan areas:

Baltimore, MD	Guam	Orlando, FL	Savannah, GA
Buffalo, NY	Honolulu, HI	Philadelphia, PA	Seattle, WA
Burlington, VT	Long Island, NY	Phoenix, AZ	St. Louis, MO
Charleston, WV	Louisville, KY	Portland, ME	Tucson, AZ
Chicago, IL	Lubbock, TX	Reno, NV	Washington, DC
Cincinnati, OH	Minneapolis, MN	San Antonio, TX	Wichita, KS
Denver, CO	Newark, NJ	San Diego, CA	Wilmington, NC
Detroit, MI	New Orleans, LA	San Jose, CA	
Fort Worth, TX	New York, NY	San Juan, PR	

Accomplishments and Workload: As a result of a 1985 reprogramming and supplemental, DEA was able to devote 28,700 additional investigative workhours to this program in 1985. This represents a 17 percent increase over 1984. As the additional task forces become fully operational more investigative workhours will be added at an annual rate of between 1-3 percent. In 1986 the total DEA investigative hours invested will exceed 200,000 hours. In 1985 donated state and local officer investigative time reached the 180,000 hour level.

In 1985, 75% of DEA investigative effort was devoted to case class I & II investigations. This amount is up from 61 percent in 1984 and is expected to continue through 1987. The increase in effort has resulted in a modest elevation in the percentage of cases, class I & II arrests. In 1984, 35 percent of the state and local task force program arrests were in case class I & II. In 1985, that percentage rose to 39 percent where it is planned to remain through 1987.

Listed below are examples of recent investigations which illustrate the success of the task force program:

- The Seattle, WA task force initiated an investigation which resulted in several arrests and the seizure of 212 pounds of heroin with a street value exceeding $200,000,000. The financial and conspiracy aspects of this investigation are being pursued by the Seattle Division, supported by the Seattle task Force.

- The Long Island, NY task force initiated an investigation which resulted in the seizure of 200 pounds of cocaine and a significant quantity of precursor chemicals. This organization had been producing weekly over 400 pounds of cocaine with a street value of $2,000,000. Some 35 subjects have been indicted to date and one major fugitive has been apprehended. This investigation constitutes one of DEA's most significant inroads into cocaine trafficking and is especially important because of the presence of cocaine conversion laboratories located in the U.S.

1371

The New York City task force, assisted by the FBI, conducted an undercover investigation which resulted in the seizure of 43 pounds of heroin which was delivered to the undercover agents. Eight subjects have been arrested to date. The international aspects of this task force case are evident from the arrests of several foreign nationals, including diplomatic personnel.

Program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
DEA Investigative Workhours by Class of Case:				
Class I	82,176	125,467	127,400	131,500
Class II	22,253	25,206	25,500	26,400
Class III	59,913	41,012	41,500	42,700
Class IV	6,847	8,208	8,300	8,500
Total	171,180	199,893	202,700	209,100
State and Local Task Force Arrests by Case of Class				
Class I	614	823	850	890
Class II	246	423	400	410
Class III	951	997	1,000	1,000
Class IV	665	929	950	950
Total	2,476	3,172	3,200	3,250
Conviction Rate:				
Federal Court	86%	87%	90%	95%
State Court	77%	76%	80%	85%

1372

Activity: Enforcement of Federal Law and Investigations Subactivity: Intelligence	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos	WY	Amount	Perm. Pos	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	343	333	$19,239	343	333	$19,802	362	341	$20,542	19	8	$740

Long-Range Goal:. To provide all information necessary to maximize drug law enforcement activity.

Major Objectives:

To provide high-quality strategic intelligence on a timely basis in response to all needs identified.

To provide high-quality tactical intelligence on a timely basis to meet all investigative and operational needs.

To exchange tactical intelligence on a timely basis in response to requests and requirements of selective drug enforcement agencies.

To provide intelligence support to Federal, State and local enforcement organization by means of the inter-agency resources at the El Paso Intelligence Center (EPIC).

Base Program Description:

Strategic Intelligence Program

Strategic intelligence indicators have been developed, information reporting systems established, and statistical methods are used to produce estimates and projections of drug production, trafficking patterns and abuse.

To broaden the information base, appropriate liaison is conducted with other law enforcement and intelligence agencies to foster the exchange of strategic intelligence information. This lead intelligence coordination function ensures that significant gaps and deficiencies in intelligence collection efforts are identified and that the resolution requirements will be generated.

Among the publications of the Strategic Intelligence Program are the annual Narcotics Intelligence Estimate, the Quarterly Intelligence Trends, and the Monthly Digest of Drug Intelligence, as well as special reports and country profiles. Taken collectively, these publications form the most comprehensive and authoritative assessments available to the Federal Government of the major trends which impact on the worldwide illicit drug situation. They provide senior managers with essential information required to make realistic threat assessments and critical resource allocation decisions.

Tactical Intelligence Program

The Tactical/Operational Intelligence program addresses the problem of how to achieve the greatest impact from investigative resources by fully exploiting information available to DEA. This endeavor is difficult because the amount of information obtained usually comprises a vast amount of sometimes conflicting information and it is received from diverse sources so that links between data are

1373

not readily apparent. To develop intelligence useful for investigations, the data needs to be selectively interpreted. Analysts develop trafficker profiles, identify co-conspirators and their relationships, identify modus operandi, analyze seized documents and telephone tolls, debrief cooperating individuals (CI's), identify investigative leads and recommend initiation of SFIPs to target and determine the structure of major trafficking organizations. Extensive use is made of ADP systems to manage and correlate information.

After indictments have been obtained, analysts provide assistance to case agents and Assistant U.S. Attorneys through management and organization of continued analysis of information, preparation of charts and court testimony.

Financial intelligence addresses the problem of focusing domestic and foreign visibility and resources on the fiduciary aspects of narcotics traffic. The ramifications from international illicit drug sales are enormous. They include: (1) likelihood of significant capital flight from countries such as the United States; (2) drug financed corruption in source or producing countries which are cooperative in eradication programs; and (3) creation of offshore havens where significant amounts of the world's drug proceeds either pass through or are permanently held. Many countries do not recognize these problems, which makes it more difficult to collect financial intelligence.

Domestically, DEA financial intelligence activity focuses on: providing law enforcement personnel training to ensure full exploitation of existing laws to obtain documentary evidence and intelligence on the flow of drug related currency; identifying major money laundering methods; and seizing all assets derived from the profits of drug trafficking.

Using provisions of the Comprehensive Crime Control Act of 1984 and data provided by the Bank Secrecy Act, financial intelligence tracks drug currency to assess the economic impact it has on consumer, transit, source and "haven countries".

Foreign governments and in particular "haven" countries, are being encouraged to enter into mutual assistance treaties and agreements and to enact asset forfeiture legislation similar to U.S. laws.

These activities are directed towards depriving narcotics traffickers of their illicit profits, immobilizing major trafficking organizations and disrupting drug trafficking.

The El Paso Intelligence Center

The El Paso Intelligence Center (EPIC), is a multi-agency facility staffed by nine Federal agencies. It was established in 1974 to facilitate the exchange of drug intelligence among law enforcement agencies and to provide law enforcement agents with immediate responses 24 hours a day, seven days a week to inquiries dealing primarily with drug, alien and weapon trafficking.

EPIC accomplishes its functions through a Watch Section and an Analysis Section. These sections are staffed by experienced investigative and analytical personnel drawn from nine Federal agencies. The Watch concentrates primarily on two areas: (1) responding to inquiries regarding individuals suspected of committing crimes; and (2) placing lookouts on suspect individuals, vehicles, vessels and aircraft with appropriate agencies.

The Analysis Section integrates Watch activity with all investigative reporting by participating Federal, state and local agencies and provides law enforcement officials with current intelligence assessments. In addition, the section uses the Watch intelligence and investigative reporting to produce special reports concerning criminal organizations, concealment techniques, smuggling routes and other drug related topics.

1374

EPIC serves as the sole repository and analytical center for interagency, high-frequency radio interception. This activity provides valuable tactical data including real-time, geo-locational data on air and maritime smuggling vehicles and high-validity leads in long-term investigations. The EPIC Watch executes tactical, and time-sensitive intelligence, and the EPIC analysis staff does the longer term research and analysis.

Accomplishments and Workload:

(Strategic Intelligence Program)

The Strategic Intelligence Program provide geographic expertise, assess estimates and warnings on drug availability, production, trafficking and trends to foreign, Federal, state and local authorities. Specifically, this program:

- Produced a 135-page WORLDWIDE NARCOTICS THREAT ASSESSMENT, to include 22 special maps and an equal number of tables. This unique document was in response to a request of the Vice-President to provide specifics on the quantities, types, conveyances, modus operandi, routes, etc., used by the international trafficking community. The document has quickly become the foundation for multi-agency planning documents. Selective investigative operations have been generated from it. Copies were sent to members of Congress and other involved agencies and organizations.
- Provided the initial background research, area expertise and intelligence coordination with outside agencies, to assist DEA field and headquarters elements in major Colombian cocaine investigation successes. This effort led directly to a 10-metric ton cocaine seizure in Colombia, the largest seizure on record. Provided follow-up analysis of the impact of this accomplishment and other investigative disruptions in the international cocaine market.
- Managed a Special Field Intelligence Program (SFIP) for Mexico which provided significant intelligence regarding illicit opium and cannabis cultivation and trafficking trends. The results of this activity included pinpointing a major new concentration of cannabis cultivation and processing activity in close proximity to the United States border. This intelligence generated timely information to enable agents to seize the single largest marijuana haul in history.
- Implemented an intelligence collection project throughout Africa. Subsequent analysis of collected intelligence provided the first synoptic overview of the emerging use of this continent as a significant staging area for illicit narcotics trafficking to Western Europe and North America. This effort included a study which identified the need for additional enforcement resources in Africa. It served as the basis for DEA's decision to open a new field office in West Africa.
- Published a comprehensive study outlining illicit drug traffic from the Mid-East and Bulgaria. This study was used as the basis for diplomatic initiatives aimed at eliminating the threat.
- Participated in the collection, analysis and publication of illicit drug abuse and trafficking intelligence for approximately 20 metropolitan areas in the United States. This data was collected by DEA sources, through seminars conducted by the National Institute on Drug Abuse, and by contract with drug abuse researchers in key metropolitan areas.
- Implemented a program to analyze opium cultivation throughout Southwest Asia. The resulting study provided the first overview of production throughout this region (excepting Pakistan) since 1979. This study was used as the basis for developing and implementing an ongoing interagency assessment of this important producing area.
- Published a comprehensive study on the emerging threat of India as both a major transit and production area for both heroin and hashish. This study provided justification and documentation needed to establish an additional DEA office in Bombay.
- Produced a special study on the Thai Marijuana Situation and its increasing influence on the U. S. Market. This study served as the basis for initiating a Special Enforcement Operation aimed at the eradication of Thai Marijuana beginning in 1986.
- Collected, developed, and disseminated extensive intelligence on the expanding phenomenon of controlled substance analogues, such as MDMA ("ecstasy"). Intelligence developed has been and will be used to bring these analogues under Federal controls.

(Tactical/Operational Program)

The Tactical/Operational Program provided support to investigations directed against high-level traffickers, their organizations and financial assets; and prepared briefing booklets, Congressional testimony and position papers for use of DEA management in conferences, and Congressional testimony. Support was also provided to the Organized Crime Drug Enforcement Task Forces (OCDETF) and the National Narcotics Border Interdiction System (NNBIS). This program:

- Provided analytical support and assistance to the Bogota Country Office in translating and analyzing a myriad of documents seized with 8.5 metric tons of cocaine at a cocaine processing laboratory complex in Tranquilandia, Colombia. This intelligence support provided links to other significant ongoing drug investigations.
- Provided continued support for SEO PIPELINE. This now consists of data from over 70 cocaine and money seizures by the New Mexico State Police. PIPELINE continues to give valuable insight into traffickers operating between Florida and the West Coast. Because of the PIPELINE success, DEA and New Mexico State Police (NMSP) are holding seminars with other state police to establish similar programs.
- Completed a study to better utilize the Enforcement Management Information System (EMIS-I) for tactical intelligence. A procedure has been developed to streamline and update the input of serial numbers of expended DEA funds and seized funds for computerized comparison. Such analysis will aid in the seizure and forfeiture of currency and assets.
- Completed Operation CASHFLOW analyzing the international flow of illegal drug money and money laundering procedures in Southeast Asia, Latin America, and Europe. These reports include analysis of Bank Secrecy laws in existing and potential "haven countries" and provided intelligence regarding major traffickers' use of these laws to launder drug profits.
- The cocaine packaging program continues to surface valuable investigative leads. For instance, one investigation in Los Angeles was connected to over 140 other cases involving the seizure of over 45,000 pounds of cocaine. This caused the initiation of a special enforcement operation which targetted the highest echelon of Colombian cocaine traffickers.
- Provided analytical support on several cases involving the heroin traffic from Lebanon and its distribution by an organized group of Lebanese nationals in several cities throughout the United States. Approximately 15 kilograms of heroin have been seized, the U.S. distribution network has been dismantled and the sources of supply in Lebanon have been identified.
- Played a lead role in identifying a major Pakistani heroin distribution network in the United States, which resulted in the dismantling of the network through the arrests of 15 of its members and seizures of approximately 20 kilos of Southwest Asia (SWA) heroin. The indictment was the first Continuing Criminal Enterprise (CCE) in the state of Nevada.
- Continued to monitor, analyze and disseminate intelligence on drug-related terrorist activities worldwide and prepared briefings for DEA management and outside agencies concerning terrorism activities for use in projecting future strategies.
- Because of terrorist threats to DEA in Colombia, the Office of Intelligence established a weekly report on Colombia which focuses on the important issues which concern the safety of DEA agents and DEA operational impact.
- Conducted daily briefings for DEA management concerning the increased worldwide threats against DEA personnel and other Americans.
- Played a lead role in developing, analyzing and distributing intelligence on drug trafficking activities of traditional organized crime elements in the United States, Canada, Europe and South America. File research, analysis of tolls, events and modus operandi, extensive knowledge of organized crime involvement in the drug traffic and debriefing of cooperating individuals have all contributed significantly to identifying and locating additional violators.
- Prepared in-depth situation reports on the top four outlaw motorcycle gangs. These reports were distributed to DEA and FBI Field Offices.
- Developed the Precursor Chemical Information System (PCIS), a computerized program of the M-204, which will document the sale, and where possible, identify the buyers of pre-selected chemicals which are needed to produce dangerous drugs, e.g., methamphetamine, PCP, LSD, methaqualone, etc.

1376

- Provided analytical support to Operation LEYENDA, an operation developed to investigate the abduction and murder of S/A Camarena. Analysis developed and distributed leads through file research beneficial in locating the whereabouts of targetted individuals. Prepared reports and briefings for the Administrator and Attorney General.
- Assisted in the identification and the need for SEO BOOKKEEPER, which is targetted at several major cocaine trafficking organizations operating in New York, Florida, California and Colombia. Organized and disseminated intelligence from many sources which documented interconnecting links among various active cases. Briefed the Attorney General on the significance of the targets involved and future intelligence and enforcement objectives of SEO BOOKKEEPER.

(El Paso Intelligence Center (EPIC)

The EL Paso Intelligence Center (EPIC) has continued to provide an intelligence clearinghouse for drug enforcement information and comprises a unique form of continuous intelligence support to appropriate officials at the Federal, state and local levels:

- In 1985, there have been 354,577 intelligence transactions. In addition, EPIC lookouts were instrumental in seizures of 22,700 grams of heroin, 13,156 pounds of cocaine, 1,777,922 pounds of marijuana, 9 kilograms of hashish oil, 90 aircraft, 149 vessels and $6,692,000.
- State and local law enforcement agencies have signed cooperative agreements with EPIC from all 50 states as well as Puerto Rico and the Virgin Islands.
- EPIC has provided 24-hour a day intelligence support and coverage to several prominent enforcement activities over the past year, particularly the Carribean-based interdiction operations as well as the Organized Crime Drug Enforcement Task Forces and the National Narcotic Border Interdiction System (NNBIS). Many seizures and arrests were made.

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
Intelligence Reports	750	800	855	900
Special Field Intelligence Programs	12	10	12	12
Enforcement Support	4,600	4,600	4,600	5,000
Information Responses	17,000	17,000	17,000	18,000
El Paso Intelligence Center Transportation	283,000	354,577	375,000	400,000

Program Changes:

(Organized Crime Drug Enforcement Task Forces)

An increase of 19 Intelligence Specialist positions: 8 FTE workyears; and $740,000 will enable law enforcement officials to more effectively target the most significant drug trafficking organizations and to take advantage of the complete range of legal sanctions and penalties available for prosecution purposes. These drug trafficking investigations will encompass the entire range of illicit drugs, including cocaine, marijuana and heroin. To maximize these resources the positions will be assigned to DEA field divisions.

Trafficking activities of outlaw motorcycle gangs are becoming a major concern to law enforcement authorities. At the present time, there are approximately 10,000 outlaw motorcycle gang members and associates in the United States alone. These misfits, who perceive

themselves as social outcasts, are involved in many criminal undertakings. The outlaw motorcycle gang members are considered "non-traditional organized crime" and both DEA and the FBI have begun a nationwide program to disrupt or eliminate their activities. Lawlessness of these motorcycle gangs not only include prostitution, robberty, theft, extortion, rape and murder, but they also account for a significant portion of the manufacture and distribution of such substances as PCP, LSD, methamphetamines, cocaine, marijuana and heroin. At the present time, DEA and the FBI have targetted numerous investigations against these groups. It is expected that many of the investigations will fall within the purview of the OCDETFs.

The additional positions will enable Intelligence Specialists to do the following: organize and analyze OCDETF/motorcycle gang intelligence into a comprehensive and systematic data base from which data elements can be retrieved on a real-time basis; ensure OCDETFs achieve full benefit from existing data systems; identify interrelationships between OCDE targets and other trafficking groups; collate and analyze information to justify Title III affidavits; and assist in the analysis of Title III information to further investigations.

1378

Activity: Research and Engineering	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
Subactivity: Research and Engineering	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research and Engineering	19	18	$2,466	19	18	$2,534	19	18	$2,534	...	...	...

Long-Range Goal: To support DEA's enforcement and intelligence programs by providing engineering development for technical investigative equipment, research, and scientific studies.

Major Objectives:

To increase the productivity of staff by providing quick-reaction support to current field operations in meeting increasing demands for timely and high quality technical evidence and investigative support.

To increase the efficiency of agency field operations by the development of new or improved devices, systems plans and procedures that require applied scientific research and engineering development.

To provide scientific and technological information, training, coordination and liaison services for DEA and the national and international drug law enforcement and intelligence communities.

To increase the productivity and efficiency of scientific and technical personnel by providing advanced scientific instrumentation, electronic laboratories, testing equipment and data processing equipment.

Base Program Description: This decision unit addresses the problem of providing new technology and scientific support to the operational elements of DEA. As law enforcement has become more effective there has been an ongoing response on the part of criminals to employ advanced technology and sophisticated countermeasures to protect their criminal enterprises. Various improvements in documenting telephone utilization and electronic surveillance and tracking aids have greatly increased agent productivity and have become essential to assure high conviction rates for drug prosecutions.

The base program described in this package provides the studies, analyses, development, testing and evaluation of communications, surveillance and agent protective systems and processes to provide direct field investigative support for special investigative support applications. Some of the areas included are: tracking and locating devices for vehicles; surveillance equipment; communication systems planning; and agent protective equipment. The clients served by the research and engineering program are primarily DEA's special agents, Planning and Inspection Division, Operations Division, and the Office of Intelligence as well as other Federal, State, local and foreign law enforcement agencies.

The DEA and the FBI have established a joint technology review group to ensure that critical law enforcement research and development activities are being pursued and that both agencies are not duplicating their efforts. In addition, all DEA research and engineering activities are coordinated with all other law enforcement, intelligence and defense community technical activities to maximize the benefits of previous research and engineering, to negate any potential for duplicative efforts and to identify areas for joint or cooperative ventures.

1379

As a result of the joint DEA/FBI technology review process the following areas of agency responsibility have been assigned:

Technology Area	Lead Agency	Technology Area	Lead Agency
* Fingerprint Scanning for ADP Security	DEA	* Dialed Digit Recorder Technology	Joint
* Remote Sensor Monitoring	DEA	* Microprocessors	Joint
* Satellite Communication	DEA	* Telephone Technology	FBI
* Tape Processing	FBI	* Recording Devices	FBI
* Video Technology	DEA	* Pager Communication	Joint
* Remote Switches	Joint	* Power Sources	FBI
* Audio Radio Frequency	Joint	* Antennas	Joint

Accomplishments and Workload: The following narrative is subdivided in accordance with the three major thrusts of the research and engineering program.

(Research and Analyses)

This work element attempts to improve the collection of scientific data by the Agency, and to provide analyses of Agency plans, programs, and systems by conducting system analyses, operations research, prototype development and operational evaluations. Further, other analytical methodologies and scientific and technical information are applied where appropriate. Training and liaison services are also provided.

a. The earth orbiting satellite radio communication system (SATCOM) was formally turned over to DEA field operational personnel in 1984 for use and control. The system consists of a base station at the El Paso Intelligence Center (EPIC), eight portable radios deployed in the field, and five telephone remote terminals to be used by various headquarters elements. Developments are continuing on SATCOM II, an improved, second generation system.
b. Continuing engineering support has been provided to the Office of Information Systems on the Text Analysis System (TEXAS). A critical design review has been achieved in the definition of the system, which was turned over to the El Paso Intelligence Center (EPIC) in late 1985.
c. The development of the automated currency reader (ACR) by the U.S. Customs Service has been closely followed by DEA. It is our intention to enter into contractual arrangements by means of a single requirement document after all design problems have been solved by both U.S. Customs and the FBI.
d. During 1985, scientific support continued for the Cannabis Investigation Section for the completion of the supplementary Environmental Impact Statement to support the use of herbicides to control illicit cannabis cultivation. Moreover, due to emphasis being placed on cocaine investigations, scientific support will be extended to this effort as well.
e. High altitude photography of the State of Florida was obtained from USDA and was evaluated for application to DEA's investigative requirements. It was found that clandestine airfields could be detected and located from the photographs.
f. An evaluation of medium gain, covert, UHF mobile radio antennas was completed. This effort identified potential candidates for DEA operational use and defined the technical limitations of this concept.
g. A research program was completed which resulted in a more accurate and valid method for estimating heroin user prevalence. These estimates will be used in future research efforts as well as for Congressional and OMB queries.
h. Technical support was provided to the Office of Information Systems for the procurement of a system for Office Automation. This support included contractual procedures, and software and hardware evaluation and selection.

1380

i. New initiatives include: examination of the means by which a video disc storage system (VSS) can be used to augment the development of the Office Automation effort; coordination with the Defense Intelligence Agency in the product evaluation of a second generation fingerprint scanner; an experimental program with the USAF to establish an aircraft interdiction program of activities to evaluate and recommend voice privacy devices for selected components of DEA's radio system; an evaluation of various methods of disposal and destruction of hazardous materials seized from clandestine cocaine laboratories; an evaluation of the investigative file system in DEA and the application of automation to file maintenance; and the application of new techniques in photo enhancement to define areas of interest to DEA.

(Technology Development)

Technology development involves the application of new and improved technology and procedures to increase the efficiency of agency field operations by conducting applied scientific research and engineering development necessary to meet long-term operational requirements. Major projects underway are discussed below:

a. Boat Tracking. The purpose of the boat tracking project is to develop systems capable of providing early warning of vessels suspected of carrying contraband cargo which are approaching the U.S. mainland. The initial system which includes Local User Terminals capable of providing vessel position location was operational in 1981. New transmitters were delivered during 1982. During 1984 the Local User Terminals were upgraded for better position location, transmitters were modified for a new satellite, acoustic-coupled data terminals were installed at EPIC and Washington, D.C. and a transmitter test set was procured and tested. During the latter part of 1985, new, smaller transmitters were delivered. Omnidirectional antennas will be installed on the Local User Terminals, and a new portable Local User Terminal will be delivered in 1986.
b. Aircraft Navigation. The objective is to provide the optimum LORAN navigation system for use in marijuana eradication and sea search and surveillance missions. A trade-off analysis was conducted in 1982 and candidate systems procurement, test and evaluation conducted in 1983. Based on this evaluation, quantities of the recommended system have been procured and were deployed by DEA operational elements in 1984.
c. Automatic Phone-number Recording System (APRS). The manual processing of DEA dialed digit recorder tolls is inordinately expensive in manpower and salaries. The purpose of this project is to automate the data collection by collecting the data from up to three (3) dialed digit recorders producing the data on cassette tape. Engineering and operational testing was completed during 1983. A specification for production systems and production contract was awarded in 1984. Delivery of 22 production systems is scheduled in early 1986.
d. Direct Automatic Phone-number Recording System (DAPRS). The DAPRS also reduces the manual processing of dialed digit recorder tolls by processing data from up to 16 dialed digit recorders and transmitting this data over telephone lines into the DOJ AMDAHL/204 System. Engineering and operational tests of the prototype DAPRS began in 1984 and were completed in 1985. Another series of operational tests will be conducted in 1986 into the AMDAHL/204 System, after which a decision will be made on production units.
e. Enhanced Dialed Digit Recorder. An operational requirement which combines the features of a dialed digit recorder and computerized data collection, storage, and analysis system has been identified. When developed, this system will reduce the need for dialed digit recorders, including APRS/DAPRS systems.
f. Video Surveillance. This project consists of the design, development, test and evaluation, and field deployment of a wide variety of video systems. During 1982 a video surveillance kit which consisted of a miniature remote controlled surveillance camera with radio frequency data link was developed. Operational deployment of this system was completed in 1983. Twenty additional systems have been requested and were delivered in late 1984. In addition, during 1982 design and development of video systems in an attache

case and lamp were initiated. Operational deployment of these systems took place in 1983. Additional production systems have been requested and were delivered in early 1985. Development of miniature cameras and enhanced video transmitters including voice were completed in late 1985.

g. High Technology Positive Audio System. The objective of this project is to incorporate state of the art technology into the development of an audio surveillance system. Pre-production receivers were ordered in 1982 and a contract for 100 transmitters was awarded in 1983. Delivery of the surveillance system was completed in mid-1984. Operational tests will be conducted in early 1986 after which production quantities will be ordered.

h. Remote Beacon Monitor. The remote beacon monitor will automatically monitor stationary tracking transmitters and notify agent personnel of any change in status. A contract was awarded in 1982 for one (1) pre-production and ten (10) production systems. The pre-production system successfully completed engineering and operational testing in late 1983. Delivery of production systems were completed in mid 1985.

i. Video Transmitter. The objective of this project is to develop an enhanced video transmitter/receiver to support enforcement activities. During 1983 an engineering model was designed and developed. This system has been modified to include a scrambling capability. If successful, production units will be procured in 1986.

j. Carrier Current. Prototype carrier current systems, which use existing 110 volt power lines to transmit audio, were delivered to DEA field elements for evaluation. During 1983 results of the prototype were analyzed and a request for 75 systems received. A production contract was awarded in 1984 and delivery is scheduled for early 1986.

k. Technology Development Support Contract. During 1984 a competitive contract was awarded to four companies within the Washington, D.C. area to provide engineering support to the Science and Engineering program. Contracts for equipment such as electronic assemblies, line monitor sets, video systems, and general engineering support are underway and will continue into 1986.

(Technical Services)

1382

The objective of this effort is to increase the quantity and quality of investigative evidence by providing quick-reaction technical support for application on current investigations, and to support ad hoc requests for short-term technical development and special engineering services. The output of this program is directed towards more efficient utilization of enforcement resources by minimizing the staffing required to conduct investigative operations, and improving the quality and quantity of evidence and protection of agent personnel.

Requests for Quick Reaction Support (QRS) are normally originated by a case officer and require a response time from several hours to several days to complete. These efforts are usually conducted in-house and take priority over other longer term research and engineering projects or tasks. In direct support of field operations, QRS includes the design and fabrication of special devices and transmitters such as the concealment of transmitters in assorted packages, and audio tape recording enhancement which significantly enhances the studio intelligibility of evidence tapes. Off-the-shelf hardware or pre-existing techniques and materials are used exclusively for these efforts.

The direct application of technology to specific short-term tasks is also accomplished under the technical services objective. These efforts consist of applying state of the art techniques to the development of surveillance equipment and systems. Tasks are accomplished using a combination of in-house and contract personnel and require from one to eight months to complete. Examples of this effort include the design, fabrication, test and evaluation of: special timers and motion sensors; audio systems secreted in common packages such as cigarette packs; and video systems packaged and camouflaged in such a manner as to make their presence difficult, if not impossible to detect.

During 1984, 175 QRS requests and 16 technical services tasks were accomplished. Accomplishments for 1985 were 211 QRS requests and 16 technical service tasks.

Program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Research and analytical studies	5	5	15	15
Technology developments	16	16	16	16
Technical service projects (QRS)	175	211	175	175

Activity: Support Operations / Subactivity: DEA Laboratory Services	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Laboratory Services	191	186	$10,004	191	186	$10,042	198	189	$10,765	7	3	$723

Long-Range Goal. To provide required laboratory support to ensure maximum achievement of enforcement, intelligence and diversion control activities.

Major Objectives. .

To provide timely analysis of DEA and FBI drug evidence.

To provide expert testimony in court.

To provide field assistance (clandestine laboratory investigations and seizures and crime scene searches for trace drug evidence) to DEA and FBI special agents.

To assist DEA and the FBI in the development of conspiracy cases, the monitoring of foreign drug distribution patterns, and the determination of origin of controlled substances in illicit channels by conducting in-depth and signature analyses.

To provide information on the retail level price and availability and the domestic distribution patterns of heroin through signature analysis of Domestic Monitor program evidence.

To conduct ballistics examinations on DEA and FBI evidence (tablets, capsules, and papers).

To improve forensic capabilities of law enforcement agencies worldwide.

To assist other Federal agencies in forensic drug examination.

To conduct research on new and improved methods of analytical techniques and to monitor the emergence of new drugs of abuse.

Base Program Description: This program addresses support for the enforcement, intelligence, and diversion control activities of DEA. Enforcement activities are supported through the timely analysis of drug evidence by forensic chemists and presentation of expert testimony in court; providing field assistance to agents on clandestine laboratory investigations and crime scene searches for trace drug evidence; and conducting ballistics, in-depth and signature analyses for the development of conspiracy cases. Intelligence activities are supported through the heroin signature analyses to determine the origin of controlled substances and foreign drug distribution patterns and through signature analyses of evidence to monitor domestic drug distribution and price/purity data at the retail level. Diversion control activities are supported through ballistics examinations of tablets, capsules and papers which provide information on illegal distribution of licitly produced drugs to identify possible illegal activity by Controlled Substances Act (CSA) registrants, and through field assistance in conducting inspections of CSA registered firms.

This program also provides forensic drug laboratory support to the Federal Bureau of Investigation (FBI) which has concurrent jurisdiction for the enforcement of Federal drug laws, and addresses support to other Federal law enforcement agencies that do not have their own forensic drug examination capability or which require the special expertise of DEA forensic scientists. Additionally, other Federal and foreign drug law enforcement officials will receive the training and assistance required to complement and enhance the mission of DEA.

The expeditious analysis of drug evidence submitted by DEA and FBI special agents and the presentation of expert testimony in court is essential to the successful investigation and prosecution of drug law violators and is therefore the primary purpose of the DEA laboratory system. The timely analysis of drug evidence is an integral aspect of DEA's compliance with the Speedy Trial Act of 1974.

Additionally, the DEA laboratory system, which is comprised of seven field laboratories and the Special Testing and Research Laboratory, assists other Federal agencies such as the Coast Guard, Naval Investigative Service, Army Criminal Investigative Division, Marine Corps, National Park Service, Immigration and Naturalization Service, and General Services Administration through the analysis of drug evidence, providing of court testimony, and training.

The DEA Laboratory Services program utilizes the System to Retrieve Information from Drug Evidence (STRIDE) which is described more fully under the ADP and Telecommunications program. This is a series of inter-related computer systems designed to support enforcement and intelligence operations through the processing of data generated by the DEA laboratories. STRIDE provides data regarding evidence examined by DEA laboratories to produce information which is used to determine trends in drug abuse and trafficking of narcotics, to warn of new drugs of abuse, and to identify common sources of illegal drugs. This System is also used to provide information on illegal distribution of licitly produced drugs, data on the availability of drugs on the street, statistics on drug removal, and a system for monitoring the location of evidence. Information from the system is provided to local, state, Federal, and foreign law enforcement agencies. STRIDE is also a management tool to assist in measuring laboratory effectiveness and allocating resources. The subsystems of STRIDE are: laboratory analysis program, ballistics program, laboratory manpower utilization program, and evidence inventory program.

DEA's laboratories are called upon with increasing frequency to provide information on the retail level availability of illicit drugs and trends of the United States illicit market. The Domestic Monitor program requires subjecting street level heroin samples to source analysis as well as qualitative and quantitative analysis to obtain price/purity data. This approximately triples the time of analysis for each exhibit, but provides strategic intelligence information on area of origin determinations in addition to availability data at the retail level.

The DEA and FBI laboratory systems each have separate functions and unique expertise in the field of forensic sciences. When used together for the scientific analysis of evidence in drug investigations, they provide an expanded capability to the enforcement activities of both agencies' analysis. The DEA laboratories conduct qualitative and quantitative chemical analysis on drug evidence and the FBI laboratory provides numerous criminalistic examinations which are performed on the non-drug evidence resulting from these investigations. The individual expertise of the two laboratory systems complement one another and result in improved efficiency for the overall drug law enforcement effort.

Accomplishments and Workload: In support of DEA and FBI drug investigations during 1985, the DEA laboratories analyzed 29,505 exhibits of evidence (of which 3,159 exhibits were for the FBI and 3,321 were joint FBI/DEA OCDETF efforts), testified in 662 trials, conducted 720 ballistics examinations, and identified 30 new illegal prototypes of tablets and 21 of LSD blotter paper that have entered the illicit drug traffic. Additionally, a new packaging logo file has been added to the ballistics data base.

1385

During 1985, DEA laboratories provided field assistance on 208 occasions, conducted 929 Heroin Signature analyses and 225 Domestic Monitor analyses, developed and published 9 new methods for the identification and/or analysis of drugs for international forensic community distribution. Also, the laboratories identified 16 new controlled substance analogs, 15 of which are derivatives of the parent fentanyl compound. A method was published outlining the method of identification and analysis of these fentanyl compounds.

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
Laboratory exhibits analyzed	26,228	29,502	30,000	31,275
Ballistics examinations	825	720	725	900
Heroin signature analyses	1,007	929	930	930
Court appearances	681	662	670	720
Field assistance on clandestine laboratory raids	138	208	220	235
Evidence turn-around time (days)	13	13	13	13
Evidence backlog	1,275	2,825	4,100	1,100
Domestic monitor program exhibit analyses	389	225	250	250
Issues of Microgram	12	12	12	12

Program Changes:

An increase of 7 positions (7 chemists), 3 FTE workyears, and $723,000 is requested to meet increased workload from investigative activity of the Organized Crime Drug Enforcement Task Forces (OCDETF). These resources will allow DEA to respond to current laboratory problems in meeting the increased workload resulting from increased number of agents assigned to the Organized Crime Drug Enforcement Task Forces. In the two-year period, 1983-1985, the laboratory system handled a 248% increase in OCDETF-related evidence analysis. In addition, the OCDETF program has resulted in an increasing amount of chemists' time being devoted to support functions. This has included the training of new and non-DEA agents in drug evidence handling techniques, increased use of chemists outside the laboratory at clandestine laboratory investigations, and an ever burgeoning number of days providing courtroom testimony. As the backlog of evidence analysis increases, the laboratory system is finding it more difficult to meet the requirements of the Speedy Trial Act of 1984. Only through the use of extensive amounts of overtime for evidence analysis has it been possible to meet critical requirements.

1986

Activity: Support Operations Subactivity: DEA Training	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Training.....	42	40	$5,087	42	40	$4,701	42	40	$4,701	...	..	...

Long-Range Goal: To establish and improve the capabilities of DEA personnel to carry out their responsibilities.

Major Objectives:

To provide high quality entry-level training for all special agents, diversion investigators and intelligence analysts.

To provide high quality advanced, in-service and specialized training to investigative and other personnel in response to all identified needs.

To provide high quality executive mid-level management and supervisory training for appropriate agency officials.

To provide high quality foreign language training for all DEA personnel assigned to overseas and border offices in need of such training.

Base Program Description: The relocation of the Drug Enforcement Administration's (DEA) training program from the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia, to the Federal Bureau of Investigation Academy in Quantico, Virginia, has been accomplished, except for DEA International Training. That program will be transferred in June 1986. Co-location of training is a continuation of the interaction between the two agencies and will result in a more effective Federal drug enforcement capability. This is cost effective also since, overall, for the same level of training, there is a savings of $500,000 projected in travel costs because of this move.

The skills and knowledge required to implement the DEA mission must be developed through specialized training. DEA meets these requirements through the following training programs:

Recruit Training

Specialized entry-level training for DEA core personnel ensures the availability of well-trained personnel to perform the functions mandated by the Controlled Substances Act of 1970 and the Comprehensive Crime Control Act of 1984. The training consists of the most innovative techniques to counteract sophisticated drug trafficking. Drug identification, interrogation, informant handling, undercover techniques, firearms, and other essential subjects are mastered at this basic level:

- The entry-level agent curriculum was increased in 1985 to 13 weeks, due to the introduction of new subjects and the additional complexity of narcotic investigations. To prepare for an increasing threat of violence, and to add topics such as computer and financial training, the curriculum is expected to be increased to 15 weeks by March 1986.
- Because of the broadening of authority under the Comprehensive Crime Control Act of 1984, the Diversion Investigator training was increased to 8 weeks in 1985.

- The sizable build-up of entry-level intelligence analysts for 1985 has resulted in a planned two-phase, 4-week program to better accommodate integrating analyst trainees into their work. Phase I is intended to familiarize new analysts with drug enforcement responsibilities and methods. Phase II provides the more specialized operational skills.

Advanced and In-Service Speciality Training

Operational personnel need to receive training at all levels of career progression to perform the specialized tasks commensurate with that particular phase of their development:

- A variety of refresher and advanced programs are offered to special agents, diversion investigators, intelligence analysts and chemists through government and non-government sources. For instance, asset removal training requires instruction from representatives of banking, real estate, U.S. Attorneys, and the FBI, as well as DEA's most experienced investigators in this field. This variety of instruction sources is essential to full understanding of financial transactions and money laundering activity such as collections, letters of credit, wire transfers, "chips" and associated fiduciary matters. This powerful investigative approach is proving effective against the highest-level drug violators.
- Marine law enforcement training, which requires both FLETC and DEA instructors, provides the capability to more effectively and safely impact the smuggling of drugs by boat through coastal waterways. This training will continue at FLETC for the foreseeable future due to equipment and water proximity requirements.
- Clandestine laboratory training enhances DEA's effectiveness in eliminating the illegal manufacture of dangerous drugs. "Hands-on" instruction is provided by DEA specialized chemists and is reinforced by the synthesis of controlled substances in a clandestine laboratory.
- DEA course developer instructors receive two weeks of training which certifies them as qualified agency trainers. Instructor training is also provided to the divisional training coordinators who conduct in-service training in the field as well as state and local police training.
- The Individual Terrorist Awareness program is designed to enable DEA personnel to recognize and counteract narco-terrorists and terrorist oriented organizations. The instruction is presented by specially qualified DEA instructors with the assistance of recognized experts from outside the agency.
- To ensure that DEA's workforce possesses specialized skills, training is also provided in many technical skills: investigative aids, polygraph examining, covert transponder installation, firearms instructor training, advanced law enforcement photography, and intelligence collection and analysis.

Management and Supervisory Training

The efficient operations of DEA and the level of performance required of DEA program managers and supervisors calls for a high degree of expertise and knowledge in management science.

- It is a requirement within DEA that all newly assigned DEA supervisor receive appropriate training. Supervisory training is provided in Washington, D.C., as is management training at both the mid-level and executive level.
- The Headquarters training office also monitors and controls all professional, administrative, technical and clerical training (PATC)) received by DEA employees in many diverse subject areas and from a variety of sources as their functions and responsibilities require.

Foreign Language Training

DEA personnel need to be fluent in the language of the countries in which they operate in order to effectively communicate and coordinate their liaison duties. To that end: DEA requires language training of DEA personnel prior to their being assigned to a foreign post-of-duty or working in a post-of-duty proximate to a foreign language country.

Accomplishments and Workload:

(Recruit Training)

- DEA trained 214 entry level special agents in 1985.
- DEA will graduate eight Basic Agent Training (BAT) classes during 1986. The last class graduated from FLETC on September 30, 1985, and on October 1st, the first BAT class entered training at the FBI Academy. The eight classes scheduled during 1986 are primarily made up of new agent positions funded in the 1985 supplemental appropriation.
- DEA conducted entry-level Diversion Investigator training for 53 students during 1985, and plans to conduct three classes in 1986 to implement the Administrative Revocation Program, enacted in last years Comprehensive Crime Control Act. These positions were included in a 1985 supplemental appropriation.
- Training was conducted for 52 entry-level DEA intelligence specialists during 1985.

(Advanced and In-Service Speciality Training)

- In 1985, 120 core discipline DEA employees and a select number of state and other Federal law enforcement officers received asset removal training. Effective with the second quarter 1986, all entry level special agents will receive extensive training in this important area.
- Clandestine Laboratory training was provided to 20 in 1985.
- Marine law enforcement is to be emphasized in 1986 with a projected enrollment of 50 students.
- The DEA Training Center at FLETC trained 430 employees during 1985 in DEA information systems.

(Management and Supervisory Training)

- Both executive management and supervisory school curricula have been revised to place more emphasis on directly-applicable DEA-topics, in lieu of the formerly more generalized management philosophy courses. A total of 61 employees received this type of training during 1985, and a stabilized 80 student level is planned for future years.

(Foreign Language Training)

- During 1985, 183 DEA employees and their appropriate dependents received foreign language training. Increased enrollment in language training is projected for future years.

Program measures include the following:

Item	1984	1985	Estimates 1986	Estimates 1987
Total Entry-level Core Students	321	319	492	351
Foreign Language Training Students	138	104	200	200
Management and Supervisory Training	61	138	395	395
Employee Development--PATCO Students	750	1,430	344	1,430
In-Service Core Training	4,817	4,438	4,000	4,000
Automated Information System Training	0	430	1,000	1,000
Students Trained	6,087	6,859	6,431	7,376

1390

Activity: Support Operations Subactivity: Technical Operations	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Operations	214	205	$23,689	214	205	$23,886	223	210	$32,953	9	5	$9,067

Long Range Goal: To provide DEA personnel with sufficient high quality equipment and other technical support to ensure maximum achievement of the agency's mission.

Major Objectives:

To provide high quality and timely radio communications capabilities responsive to all operational and administrative requirements.

To provide high quality and timely technical and investigative assistance and support to all operational and administrative requirements.

To acquire, maintain and operate an aircraft fleet with sufficient capabilities to meet all operational requirements.

To acquire a fleet of high quality motor vehicles which is responsive to all operational and administrative requirements.

Base Program Description: The problem addressed by this program is to make optimal use of DEA's limited technical equipment, aircraft and personnel resources in a manner that allows DEA investigative personnel to maximize their efforts, enhance their personal safety, and accomplish the agency's mission.

The radio communication/investigative equipment support is accomplished by a group of special agents and technical personnel assigned to headquarters and domestic and foreign field offices. Available equipment and personnel are strategically and rapidly deployed to best support law enforcement activities. Because of the limited quantities of equipment and personnel resources, special agents and technical personnel must travel extensively and equipment must be rapidly shipped from office to office.

Radio Communications

Tactical radio communications are provided by a nationwide ultra high frequency (UHF) law enforcement radio system of mobile, portable and fixed station radios. The DEA UHF radio system provides support for surveillance, license plate queries, suspect information queries and emergency or potentially dangerous situations. At present, six DEA divisions are operating in a UHF voice privacy mode. This number will remain at six because DEA along with the FBI and the U.S. Marshals Service is now participating in a study for a VHF voice privacy system integrating the three agencies' radio communications requirements. We anticipate that all 19 DEA Divisions will be converted to the VHF voice privacy system once a conversion schedule is established. Long-range communications support is being accomplished by a combination of DEA-owned mobile and base station high frequency single side band (HF/SSB) radios and the contracted services of Rockwell Collins in Cedar Rapids, Iowa. The Collins control center in Cedar Rapids provides support 24 hours a day for DEA's long-range communications.

Investigative Equipment

A wide range of technical investigative equipment is available to support and enhance investigations, including video surveillance systems, radio transmitting devices, audio recorders, Title III (wiretap) devices and others. These investigative aids are used to improve DEA's investigative capabilities and to provide greater safety for DEA personnel.

Air Program

DEA's aviation program is structured into four operational areas, the western, southwestern, northern and southeastern. The aviation program consists of 58 operational aircraft, including five newly delivered twin-engine turbo prop fixed wing aircraft and one twin-engine helicopter to support long-range over-water intelligence gathering missions. Two of the twin engine turbo props are stationed in Addison, Texas to support overseas operations; two turbo props are permanently stationed in Panama City, Panama to support air support operations in Central and South America, and one turbo prop is stationed in Miami, Florida to support undercover and intelligence gathering missions in that region. The twin-engine helicopter is stationed in Nassau to support Operation Bat. DEA is proceeding with the procurement process on the helicopter, included in the 1986 Drug Initiative Supplemental, to be used to support marijuana eradication and other enforcement operations in Hawaii.

The DEA air program provides support by the following means: air-to-surface surveillance of drug investigations, undercover aircraft and pilots; air-to-air surveillance of aircraft suspected of being used in illegal drug activities; as a communications command and control relay station for remote areas or widely dispersed investigations; transportation of investigative teams, equipment or evidence for time critical operations; transportation of personnel and equipment to remote sites not regularly serviced by commercial carriers; ferrying of aircraft and flights to develop or modify drug enforcement methods. Other functions for which DEA aircraft are utilized include recurrency training; evaluation of safety procedures including cockpit workload and coordination; initial pilot qualification checks; and aircraft performance evaluation following maintenance or repair.

Motor Vehicles

As a result of a 1985 internal base review and reprogramming, resources for the procurement of the DEA motor vehicle fleet have been included in this program. DEA has been following a six-year/60,000 mile motor vehicle replacement standard for agency automotive requirements. Vehicle resource needs are based upon accepted ratios of vehicles to DEA staff ceilings as follows: One vehicle for each field Special Agent, one vehicle for every two Diversion Investigators and variable ratios for Task Force staff (approximately 2:3 for state and local staff), EPIC, FLEFC and Headquarters. Based upon the program criteria, the required fleet should approximate 3,000 vehicles. DEA would normally replace 489 vehicles of the currently projected motor vehicle fleet. An additional 86 vehicles are also required to support new agent positions for 1987.

The Drug Enforcement Administration places approximately 250 seized vehicles per year into service. The basic criteria for placing a vehicle into service is its relative operating condition. Of the 250 vehicles, approximately 30 percent are other-than-standard sedans associated with undercover use. The remainder of the vehicles are basically a cross section of the general civilian vehicle population.

Accomplishments and Workload: The elements of this program play a vital role within the Drug Enforcement Administration. Technical/investigative, radio communications, air support and polygraph support are actively sought to support DEA's most complex investigations and are now routinely used in all phases of enforcement operations to enhance investigations and provide a safer environment for DEA's law enforcement personnel.

1392

DEA technical personnel and their counterparts with the FBI are working closely through the Organized Crime Drug Enforcement Task Forces (OCDETF) to ensure that technical resources of each agency are being used to provide maximum support to the Federal drug law enforcement effort. As one example, FBI and DEA technical operations programs have and will continue to issue joint procurement documents to ensure maximum benefits and cost savings to the Federal Government.

In 1985, Technical Operations program personnel and equipment actively participated in the South Florida Task Force providing:

- air support for the identification and location of suspect vessels and aircraft;
- tactical and long-range communications;
- polygraph examinations;
- video, Title III and other investigative aids; and
- boats to support the marine requirements of this Task Force.

All the activities have been coordinated with the other Task Force participants, including the U.S. Customs Services, the U.S. Coast Guard, the FBI and U.S. Military elements. Additionally, technical operations personnel, pilots, aircraft and equipment supported Operations TRAMPA and BAT and the Domestic Marijuana Eradication Program.

In 1985, Technical Operations technical/investigative personnel directly assisted in 1,325 investigations. Approximately 90 percent of these efforts supported Class I and II level investigations. Satellite tracking devices (SATTRAC) have become an important investigative aid in the location of illicit drugs being shipped to the United States and of precursor chemicals being shipped to drug source countries.

The use of SATTRAC devices in relation to the shipment of precursor chemicals has resulted in the location, seizure and destruction of major cocaine conversion laboratories in South America. Much of the success of DEA's CHEMCON operation is directly attributable to the use of SATTRAC.

The installation of satellite communications equipment (SATCOM) in the Caribbean area and Central and South America has provided DEA personnel in those areas of the world with a reliable and effective means of communication with EPIC and DEA Headquarters. SATCOM has been an important means of communication and intelligence regarding the abduction and murder of a DEA special agent in Guadalajara, Mexico.

In 1985, voice privacy equipped radios were installed in DEA field divisions located in Seattle, San Francisco, Los Angeles, San Diego, Miami, Atlanta, and Washington D.C. and at DEA's Quantico, Virginia training facility. Additionally, portable radios were delivered to DEA to enable DEA OCDETF special agents to communicate on the OCDETF VHF radio system.

The number of air missions completed rose from 5,687 in 1984 to 6,117 in 1985. Twin-engine aircraft were used extensively in over-water search missions and in international operations, which accounted for 35 percent of the total flight missions. As a direct result of air operations, the following accomplishments were realized:

- 46 clandestine laboratories were seized. In many instances, aircraft were the only effective means of detection and surveillance of these laboratories because of their location in remote almost inaccessible areas.
- 94 aircraft, 37 vessels, 401 vehicles and $21 million were seized.

In 1985, over 400 polygraph examinations were performed to support DEA investigations (86 percent of the examinations were performed in support of enforcement operations). The polygraph continues to be an important tool for supporting major drug enforcement operations.

1393

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
Technical Operations Direct Case Support	1,325	1,325	1,350	1,400
Aviation Missions Requested	6,923	7,034	7,135	7,135
Aviation Missions Completed	5,687	6,117	6,437	6,287

Program Changes: DEA is requesting 9 positions; 5 FTE workyears and $9,067,000 for technical field support and equipment. Details of the increases are as follows:

Radio/Voice Privacy System

The 1985 reprogramming, reflected the fact that all voice privacy radio funding was urgently required for urgent operational needs. However, the availability of voice privacy radio equipment is critical to the safety of DEA Special Agents and to their effective conduct of investigations. DEA has documented evidence of investigations being compromised due to the interception of its radio traffic. Recent Congressional hearings highlighted the fact that the radio frequencies of DEA (and many other sensitive agencies) were in the hands of the criminal element. Each instance of radio interception creates the potential compromise of an investigation and, equally as important, the endangering of DEA agent personnel. Therefore, a base for the purchase of voice privacy equipment ($6.5 million) must be established for DEA to secure its radio communications. DEA is now participating in a cooperative effort to integrate radio communications requirements and voice privacy with the FBI and the U.S. Marshals. The $6.5 million requested in 1987 will enable DEA to begin its portion of the integrated voice privacy radio system.

Satellite Communications (SATCOM)

DEA is requesting $500,000 to provide a reliable and effective means for its overseas personnel to communicate with Headquarters, EPIC and other overseas offices. One such method is satellite communications (SATCOM). For the past two years, DEA has employed the use of SATCOM I to efficiently transmit perishable intelligence in support of ongoing investigations and to provide greater safety for its overseas personnel. SATCOM I also served as a primary link between Mexico and United States during the investigation of the abduction and murder of one of its Special Agents in Guadalajara.

High Frequency Single Side Band Radios

DEA is requesting $500,000 in 1987 to expand its HF/SSB network to Bangkok, Chiang Mai, Songkhla and Europe to provide support to its overseas personnel, DEA also employs the use of High Frequency/Single Side Band (HF/SSB) radio stations. The HF/SSB station to some extent may duplicate the support function of SATCOM, in that they provide long-range communications between overseas offices and the United States; however, HF/SSb also provide the primary link between DEA overseas offices and DEA aircraft; U.S. Coast Guard Service; and, in many instances, foreign governments performing cooperative drug investigations.

Radio and Investigative Equipment Technicians

In addition, DEA currently has 25 technicians assigned to Technical Operations programs. This is inadequate to support the Administration's drug enforcement efforts. The 1987 request for 9 additional technicians; 5 FTE workyears and $317,000 will enable DEA to assign a minimum of two technicians to the majority of domestic divisions, and to increase its technical support of overseas offices. The requested technicians will be trained in both radio and investigative equipment, e.g., surveillance devices and Title III, to ensure the broadest possible support of DEA investigations. These positions pay for themselves immediately through increased effectiveness in field operations.

Investigative Equipment

DEA requires an increase of $1,250,000 for the purchase of investigative equipment, e.g., video cameras, Title III devices, covert transmitters and recorders. This amount will permit the purchase of new equipment to replace obsolete, damaged or stolen equipment, and to purchase newly designed or manufactured equipment. These investments represent a strong step toward ensuring that DEA has the equipment necessary to carry out its mission.

1395

Activity: Support Operations

Subactivity: Automated Data Processing and Telecommunications

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and telecommunications.....	122	115	$27,738	122	115	$28,037	131	118	$36,907	9	3	$8,870

Long-Range Goal: To provide high quality and timely automated data processing and telecommunications support sufficient to enable maximum achievement of the DEA mission.

Major Objectives:

To increase the value of DEA's enforcement, intelligence, diversion control and management information through systems integration.

To increase the information systems and technological flexibility needed to respond to DEA's changing environment.

To eliminate technological obsolescence which hampers the delivery of information services.

To increase the productivity in the delivery of information services and the effectiveness of ADP services.

To reduce the costs associated with DEA's ADP and Telecommunication support.

To improve the quality of information within the DEA ADP systems.

To provide for greater exploitation of information in support of DEA's mission.

To provide and ensure security and integrity of DEA's automated information.

To ensure ADP availability to meet DEA's mission needs.

Base Program Description: This program provides all ADP and Telecommunication services to DEA on a nationwide and worldwide basis. The Office of Information Systems ensures DEA's information processing needs are implemented in accordance with DEA's long-range plan. The ADP and Telecommunication program provides for the implementation of modern Data Base Management Systems (M204), which provide for retrieval capability that can establish relationships between various DEA data bases while also significantly improving the ability to query any file within these data bases. The increased retrieval capability is being made available to a larger number of DEA offices, both domestic and foreign, through expansion and increased sophistication of the DEA ADP, Telecommunication, and Records Communications Systems. The highly flexible nature of M204, ease of programming and "user friendly" characteristics provide an increased capability to support routine and new DEA investigative, mission and operational requirements.

1396

The following are brief descriptions of the DEA's major ADP/Telecommunication Systems:

* NARCOTICS AND DANGEROUS DRUGS INFORMATION SYSTEM (NADDIS). This is the major enforcement support system for DEA. This data base, which consists of about 1.8 million records on persons, businesses, ships, aircraft and certain airfields, is the centralized index of all DEA investigative reports. NADDIS enables an authorized user to determine the subject's past criminal activity or associations which have been documented by DEA agents, and provides references to the location of further information on the subject of the query. Due to the worldwide, transient nature of illicit drug operations, it is not unusual for a single individual to be documented by DEA criminal investigators in various parts of the world. NADDIS, therefore, provides not only background information on individual subjects of interest to DEA, but also supports conspiracy investigations by showing linkages between individuals and separate DEA investigations.

NADDIS is accessed via the DEA Automated Telecommunications System (DATS) by over 300 terminals located nationwide and in Mexico, England, Italy, Germany, Thailand, South America, the Netherlands, France, Canada, Austin, Belgium, the Philippines, Korea, Egypt, and Pakistan. Current plans call for additional overseas terminals to be located in other European, South America, Middle East and Asian countries via a Secure Telecommunications System operated by the State Department. NADDIS operates at the Justice Data Management Center (JDMC).

NADDIS is interfaced with the FBI National Crime Information Center (NCIC) Wanted Persons File, Stolen Gun File and Criminal History Summary File. It is indirectly interfaced with the Stolen License Plates File and Stolen Vehicle File using the JUST network.

* ENFORCEMENT MANAGEMENT INFORMATION SYSTEM (EMIS). EMIS provides a method of tracking specific DEA investigations to determine management information. It includes the capability to evaluate case activity, status, agent manpower use, and confidential source utilization by the Operations Division. EMIS is being developed in two phases. EMIS I primarily involves the purchase of evidence, which enables DEA to determine whether money seized as evidence includes currency previously expended by DEA for the purchase of evidence. This system also provides a summarization of case and drug violator class statistics. EMIS II will provide information on the utilization of intelligence analysts and compliance and criminal investigator resources under the Manpower Utilization application. Information will also be provided on the current status of DEA use of confidential sources of information. EMIS I and II will automate and widely disseminate information which was previously prepared manually and had only limited use due to the lack of accessibility by other DEA personnel.

* PATHFINDER II. PATHFINDER is a component of the National Intelligence System, mandated by the President's Reorganization Plan Number 2 of 1973. This system, provides DEA with centralized automated storage, retrieval and analysis of law enforcement intelligence information relevant to illicit drug activities. Intelligence and enforcement personnel access the system via on-line terminals. The data bases include information on individuals, activities, events, aircraft, vessels, movement reports of individuals and associated drug distribution networks. It includes a graphics output capability. PATHFINDER information is made available to other Federal, State and local law enforcement officials who have a proper need-to-know and are signatory members of the El Paso Intelligence Center (EPIC). PATHFINDER converted to run under the M204 and will operate at the Justice Data Management Center (JDMC).

* CONTROLLED SUBSTANCES ACT SYSTEM (CSA). The Office of Diversion Control is supported by the Controlled Substances Act System. CSA is used to control the registration and annual re-registration of more than one half million legitimate sources of Federally controlled drugs. The volume of data this statutory requirement imposes precludes manual processing. The system was established to implement the provisions of the Controlled Substances Act of 1970 (P. L. 91-513), requiring that all legal handlers of controlled substances annually register with the Department of Justice. The system processes new and renewal applications for registration; applies changes to previously established master records; issues order forms for the purchase, sale, or transfer of Schedule I and II controlled substances; and produces various fiscal

1397

accounting, control, and statistical records. The master records contain information on legal handlers of controlled substances including name, address, DEA registration number, business activity, initial issue date of registration, expiration date of registration and drug schedules authorized. The CSA data base is used by suppliers for verifying physician and hospital order forms prior to delivery of controlled substances. The verification consists of an on-line inquiry by a DEA compliance investigator into the CSA data base via the DATS network.

* SYSTEM TO RETRIEVE INFORMATION FROM DRUG EVIDENCE (STRIDE). STRIDE supports DEA by processing information derived from drug evidence. This system supports DEA agents, intelligence, enforcement, administrative and laboratory personnel, primarily through monthly and quarterly reports of drug trends. STRIDE provides data resulting from forensic examination of drug evidence for tactical and strategic intelligence as well as planning and management purposes. The system is used to detect unusual occurrences and other matters related to drug intelligence. STRIDE consists of three subsystems: Manpower Utilization, Laboratory Analysis, and the Ballistics program. The Manpower Utilization program is used by the Forensic Sciences Division as a management information system to produce a monthly report of hours spent by chemists and laboratory technicians on various tasks, such as drug analysis, court appearances, training, assistance to agents and research. The Laboratory Analysis program is based on data developed by DEA forensic chemists, such as the controlled substances chemical comparison of tablets and capsules. Data derived by the forensic analysis of drug evidence throughout the DEA laboratory system are input via computer terminals located in each laboratory by scientific intelligence technicians. The system is available for on-line queries to determine characteristics of drugs obtained during an investigation. STRIDE and Ballistics derived information is used to link investigations based on the similarity of exhibits and provides strategic intelligence on worldwide illicit drug trends.

* DEA ACCOUNTING SYSTEM (DEAAS). This system was developed to automate highly labor intensive accounting and clerical functions. These include DEA funds obligations, expenditures, costs, and revenues for which program managers are responsible, generation of financial reports to meet internal needs and external requirements and to provide a basis for developing and reporting costs in accordance with programs, budget activities, special projects and organizational cost centers. The system is DEA-wide, incorporating budget and financial data of domestic offices, foreign offices, laboratories, intelligence centers, aircraft section, and Headquarters activities. DEAAS does not interface directly with the Department of Justice Accounting System. It does, however, use an abbreviated version of the DEA payroll file from the DOJ Payroll System as input on a bi-weekly basis. Detailed accounting transactions are transmitted via the DATS network to the JDMC and are collected for a batch processing update. Information is derived from basic documents such as allotment advices, operating plans, payroll data files, obligation documents, receipts documents, accrual documents, reimbursement agreements, manpower activity reports, and expenditures/disbursement documents.

* TELECOMMUNICATIONS. DEA has a requirement to support investigations of illicit drug operations worldwide. The highly transient nature of subjects under investigation requires the support of a worldwide, rapid and Secure Record Communication System. DEA's requirements, both for domestic and for certain foreign offices, for secure voice, secure teletypewriter, facsimile and general communications, are satisfied by the following:

- SECURE VOICE.

  Five STU-II secure voice devices are now operational. They are located at DEA Headquarters, EPIC and Miami. This equipment meets national cryptographic requirements, and provides DEA intelligence and enforcement personnel with the capability to rapidly and securely exchange information with all elements of the United States Intelligence community. Many of DEA's offices overseas are accessible through the Department of State secure voice network. The secure voice equipment program is scheduled for expansion as STU-II's and STU-III's are delivered to DEA.

1398

- FACSIMILE.

The DEA Facsimile System consists of 143 terminals, including all divisional and resident offices, laboratories, some airport details, Mexico City, Montreal, San Juan and Honolulu. Offices equipped with facsimile equipment can communicate with each other or with any other government agency or commercial firm that has compatible equipment (e.g., Xerox, Magnafax, Steward Warner, Graphic Sciences). Upgrading of the system has included placing unattended machines in several larger offices and by replacing six-minute per page models with a faster capability. Fingerprint facsimile machines are operational in 13 major field locations. This system is used to send prints to the FBI and receive a prompt response.

- SECURE TELETYPEWRITER COMMUNICATIONS.

Domestic - The DEA Secure Domestic Teletypewriter System presently consists of a Headquarters Telecommunications Center and 106 terminals in field offices, including Honolulu and San Juan. The short-range objective is for 130 operational locations. This is a private system within DEA; however, communications with other government agencies are available through the Headquarters Telecommunications Center. The DEA Teletypewriter System employs circuit switching as opposed to the previous data-phone operation. This allows any station in the network to send a message to all other stations in the network with any one transmission. KW-7 cryptographic hardware is being replaced by KG-84s. Foreign - Access to foreign offices is provided through the Department of Defense Automatic Digital Network and/or the State Department Diplomatic Telecommunications System, both of which are electrically connected to the Headquarters Telecommunications Center.

- COMMUNICATIONS SECURITY (COMSEC) ACCOUNTS.

DEA has one of the largest COMSEC accounts within the U.S. Government. COMSEC accounts are administered by the Headquarters Center Office of Record (COR), by the DEA COMSEC Officer and COMSEC Custodians at each of DEA's 119 offices receiving cryptographic material. Custodians operate under policy promulgated by the National Security Agency for the positive and continuous recording and reporting of accountable COMSEC material from the time of receipt within DEA through destruction or final disposition. Regularly scheduled inspections of cryptographic facilities are the most effective means of ensuring that the required security standards are maintained at all times. The National Security Agency requires that all COMSEC accounts be inspected and audited at 18-month intervals. The purpose is to ensure that COMSEC material is used, stored, distributed, or accounted for, and that COMSEC equipment is employed and maintained in accordance with current standards. This material supports the DEA Secure Teletypewriter System.

- LAW ENFORCEMENT INFORMATION ACCESS SYSTEMS.

Headquarters, EPIC, and 55 field offices have access to the U.S. Customs TECS and/or their State Police computers.

- PAGING SYSTEM.

DEA Headquarters utilizes the NEC Paging System for 120 senior officials and duty agents. The Paging System is also used by the Air Program to alert the DEA pilots in 23 field locations.

- OFFICE AUTOMATION (OA).

DEA is engaged in the design and implementation of an office automation system. A contract award was made during December 1985. The pilot program will be conducted during the first half of 1986 with full implementation in 1987. The initial system is not TEMPEST rated but can be upgraded to TEMPEST.

1399

Accomplishments and Workload:

(Overall Mission of DEA)

- The laboratory system, (STRIDE) is being rewritten to operate under Model 204 DBMS. This rewrite will enable STRIDE to share data with other DEA systems.
- The Property Management system is being enhanced under M204.
- A Personnel Locator System was written under M204, it will provide, in an interactive mode, the capability to query by employee name, telephone number and current office location.

- Encryption equipment have been installed on the DATS network. This equipment will be used until the network encryption can be accomplished using NSA provided KG-84 devices.
- Reconfiguration of the DATS circuits was completed. This effort distributed usage evenly throughout the network and increased the number of DEA field offices having dedicated terminal access. The new DATS terminal equipment equipment (3270 protocol) operates on these new circuits.

(Enforcement Activities)

- Microcomputers have been acquired to support Title III investigations. The equipment will be used throughout DEA field offices.
- An agent Application System was developed which provides a full range of reports concerned with tracking the status of DEA agent applicants.
- An agent career File was developed for use by the Career Board in performing their functions. The information contained in the file allows decisions to be made and plans developed which normally require extensive manual labor.
- Field operational testing is now under way to automate the information gathered from dial number recorders (pen registers). This capability will be extended to support appropriate Title III operations.
- The Offender Base Transaction System Defendant system is being rewritten to operate under M204.
- The Controlled Substances Information System which will allow, interactively, queries of chemical data bases indicating hazardous and toxicity chemical content, became operational under M204.

(Diversion Control Activities)

- The capability for the CSA Registration office to query new applicant information in an interactive mode was developed, thus reducing the registration users response time.
- CSA is now operational under Model 204 DBMS.
- The Prescription Information and Survey System (SCRIPT) is being rewritten to operate under M204.
- The Precursor system is being rewritten to operate under Model 204 DBMS. This system will now provide access to information pertaining to sales and other transactions concerning precursor chemicals. This includes the identification of cooperating companies both public and private, engaged in the manufacture, wholesale and retail distribution of such chemicals as well as the identification and address of the individuals and companies purchasing or inquiring about precursor chemicals.
- The SCRIPT system was developed to support field investigations which require the collection and analysis of prescription information. Support has been provided in Philadelphia, St. Louis, Atlanta and Detroit.

1400

- The PATHFINDER system has been rewritten to operate under control of the Model 204 Data Base Management System (DBMS). This conversion enables the PATHFINDER system to share data with other DEA systems.
- A Text Analysis System (TEXAS) was implemented at EPIC which automates the communication traffic.

Program Changes:

Full Encryption and Tempest System

Nine (9) positions, 3 FTE workyears and $8,870,000 for Full Encryption and Tempest and Secure Voice are requested.

In 1987, seven (7) positions, 2 FTE workyears, and $173,000; and program funding of $8,173,000 is needed to initiate the full encryption and TEMPESTing of the DEA telecommunications and teleprocessing systems. Of the total request, $1,685,000 is for purchases of encryption devices from NSA, $900,000 is for purchase of safes, $350,000 is for contract support to conduct site surveys and certification, $4,000,000 is for lease and maintenance of computer equipment to be installed in FBI facilities and $1,238,000 is for lease of TEMPEST office automation equipment for the Secure Teletypewriter System (STS) only.

The funding requested in 1987 is only to initiate the full encryption and TEMPESTing of DEA's system. All equipment acquired with 1987 funds will become an integral part of the fully implemented system. Failure to fully encrypt and have a TEMPEST secure system will make the systems vulnerable to interdiction, and limit DEA's capability to share information with other agencies (especially the intelligence community) which are already TEMPESTed, thus, limiting DEA's ability to participate in joint operations.

Secure Voice

Two (2) positions (Communication Specialists), 1 FTE workyears, and $66,000; and $458,000 for the purchase of security equipment are requested for 1987.

Normal commercial telephones, both domestic and overseas, are under close scrutiny by those engaged in the manufacture, movement and sale of illicit narcotics and dangerous drugs. The acquisition and installation of secure voice devices, which will encrypt telephone voice will provide the means for DEA agents to communicate with each other without fear of being intercepted. The conversations would be intelligible only to a site equipped with a similar device using an identical daily encryption code. The cost of this enhancement is for the installation of thirty-nine (39) STU II's (domestic use), ordered from NSA in 1982 for delivery in 1987, and the order of sixty (60) STU III's (overseas use) for delivery in 1989 (20), 1990 (20). NSA requires payment for equipment at the time the order is placed. Because of the increased threats to DEA overseas operations and activities, it is imperative that voice communications to these overseas posts be protected to the highest level possible. This enhancement has been discussed with the FBI and is consistent with their approach.

Failure to implement this enhancement means that DEA's voice communications will not be secure. The current system can be monitored, and useful information can be intercepted. Clandestine telephone monitoring is easy; it can be accomplished without exposure and at very little, if any, risk to the intercepting organization.

Activity: Support Operations

Subactivity: Records Management

	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Records Management	88	83	$3,601	88	83	$3,707	88	83	$3,707	...	...	...

Long-Range Goal: To provide effective and efficient records management, Freedom of Information/Privacy Act and library support to ensure the optimum success of DEA's mission requirements.

Major Objectives:

To upgrade the maintenance, retrievability, and disposition of DEA files through the application of records management practices and technology.

To provide responsive directives management services for prompt dissemination of policy and procedures.

To maintain and upgrade the Narcotics and Dangerous Drugs Information System (NADDIS).

To maintain the Enforcement Management Information System (EMIS II).

To maintain files of all drug investigations initiated by DEA field offices and to provide a records retrieval service for Headquarters enforcement and intelligence personnel.

To provide training in NADDIS operations to agents, intelligence analysts and selected administrative personnel.

To maintain a central record of all DEA disclosures of information to individuals and agencies outside the Department of Justice, as required by the Privacy Act.

To provide an initial acknowledgement within 10 days for 100% of all FOI/PA requests.

To continue to improve and update the FOI/PA processing systems.

To provide efficient and responsive library services for all DEA elements.

To provide information from on-line retrieval systems to meet the needs of DEA in pursuit of its mission.

Base Program Description:

Records Management

The Records Management program provides development and implementation of policy and procedures for DEA records management programs and systems, including reports management, forms analysis and design, files maintenance, records disposition, directives disposition, correspondence management, and systems and procedures studies.

Investigative Records

The Investigative Records Unit maintains a large volume of hard copy files on drug investigations conducted by DEA field offices worldwide, and of drug intelligence reports received from the FBI and other agencies. Reports in these files are source documents from DEA's Narcotic and Dangerous Drugs Information System (NADDIS), a computerized data base, and are used extensively by the Headquarters staff. The Unit is responsible for extracting pertinent information from these reports and entering this information into NADDIS.

The Investigative Records Unit maintains a central file of all disclosures of information to individuals and agencies outside DOJ as required by the Privacy Act of 1974. Names in these hard copy records are extracted and recorded on microfiche to provide an audit trail. The Unit also maintains a central file on all DEA confidential informants, and enters information from these files into a highly secure, computerized data base (EMIS II).

Freedom of Information

The Freedom of Information Operations Unit prepares and provides response to requests made pursuant to FOI/PA through use of specialists. The Litigation Unit assists in defending DEA against FOI/PA lawsuits.

Library

The DEA library serves as a single source for historical and current information concerning the DEA mission. The library staff, and collection of 15,000 volumes of legal, scientific and general references provide support for the DEA staff in planning and executing the strategies for control of those substances under Federal jurisdiction through enforcement and regulation.

The library's on-line computer information services, Dialog and Nexis, contain over 300 different data bases with approximately 80 million records. These services provide information on a variety of subjects ranging from citations on corporations and individuals to bibliographic citations.

Accomplishments and Workload:

(Records Management)

Provided briefings on records maintenance and disposition requirements to DEA administrative officers, to promote reduction of the volume of files with subsequent cost savings in procurement of file equipment and acquisition of floor space. Conducted surveys of Headquarters offices in developing file plans to improve filing efficiency, reduce lost time for retrieving files, and dispose of valueless records. Provided detailed review and analysis of files operations that increased the number of accession requests made by DEA offices to Federal Records Centers. Developed guidelines to reduce the volume of records and to facilitate the retirement of records by the foreign offices.

(Investigative Records)

The Investigative Records Unit processed 329,790 investigative reports in 1985 and opened 22,458 new investigative files. It created or updated 672,092 NADDIS records in 1985, increasing the data base to 1,823,225 records. The unit processed and reduced to microfiche 13,002 information disclosure reports. A new automated file tracking system was installed to better account for the movement of investigative records and maintain a history of file usage. NADDIS is currently being reformatted to operate under a new computer system, M-204, which should be operating in 1986.

(Freedom of Information)

During the period January 1984 to December 1984, the Freedom of Information Section received 1,952 requests and processed 2,145 request files. From January 1985 to December 1985, the FOI Section received 1,949 requests and processed 2,147. FOI is processing its requests in a timely manner with minimal backlog. With the present staffing, this level of performance is expected to continue.

The FOI/Litigation Unit continues to assist other government agencies in the conduct of FOI/PA Litigation matters. As a result of the handling of FOI appeal and litigation matters, DEA has continued to prevail in all proceedings in the Federal Courts.

(Library)

The Library has maintained an active program of replacing bound volumes of journals and law books with microforms. At the end of 1985, the library had 2,348 rolls of microfilm and approximately 2,500 microfiche. The substitution of microforms for bound volumes enables the library to better utilize available space.

The Library has acquired three on-line computer systems. Dialog and Nexis are systems which together contain over 300 different data bases with approximately 80 million records. The information provided from these systems will enable DEA staff to do a more complete job in investigations and research. The third system, On-line Computer Library Center (OCLC), is a library system geared to cataloging and inter-library loans. OCLC will enable the DEA library collection to become better known to outside users as the library enters more material into the system.

Program measures include the following:

Item	1984	1985	Estimates 1986	1987
New Investigative Files created	14,943	22,458	28,000	27,000
Investigative Records processed	291,801	329,790	330,000	332,000
NADDIS Records created and upiated	587,506	672,092	765,000	800,000
Disclosure Records processed	16,066	13,002	13,000	13,000

1404

Activity: Program Direction Subactivity: Executive Direction and Control	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	264	249	$14,745	264	249	$15,007	264	249	$15,007	...	..	...

Long-Range Goal: To develop and maintain effective and efficient management functions, and executive direction and control.

Major Objectives:

To provide high quality management direction and control through policy development.

To provide accurate and timely information to specific interest groups and to the public regarding DEA's mission and activities.

To provide accurate and timely information to Congressional requests.

To provide a full range of legal services to agency personnel.

To provide effective budget planning, formulation and execution.

To provide an efficient financial accounting and reporting system.

To effectively track and review manpower utilization and productivity within DEA.

To strengthen internal controls through OMB Circulars A-123 and A-76.

To investigate instances of integrity misconduct within DEA and provide a secure environment for DEA employees and property.

To maintain high standards through internal audits.

To effectively monitor and evaluate all programs within DEA.

To implement an effective strategic planning process for DEA.

To establish government-wide statistical systems for drug seizures, drug arrests, and asset seizures.

Base Program Description: This decision unit is responsible for setting policy, providing solutions to problems in program formulation, management functions and internal control and ensuring the effective deployment of resources so that objectives continue to be met.

The Office of Congressional and Public Affairs consists of the following elements and responsibilities:

- The Congressional Affairs Section responds to Congressional requests, provides DEA officials with reports on Congressional activities, provides assistance in preparing testimony and serves as Congressional liaison.
- The Public Affairs Section responds to media, public and government inquiries, and issues press releases to inform constituents about drug-related issues.
- The Communications Services Staff prepares texts of speeches, outlines, talking points, and Congressional testimony. They prepare recurring reports for the White House, Department of Justice and key DEA officials.

The Office of Chief Counsel functions include: preparing legal briefs, opinions, presentations and providing technical legal training in regulatory and criminal matters, civil litigation, seizures, forfeiture of assets, personnel, EEO, procurement, and international matters. Most of this work is directly contingent upon the amount and complexity of agency enforcement and regulatory activity.

The Office of the Controller consists of the Budget, Management Analysis and Accounting Sections. This Office's primary responsiblities include: formulation and presentation of DEA's budget, which is integrated with the DEA's Strategic Planning process, to DOJ, OMB and the Congress, developing and maintaining resource allocation plans and the design, operation and supervision of DEA's accounting systems. In accordance with OMB Circulars A-123 and A-76, this office maintains a system of internal control and accountability for programmatic and operational functions in all areas. Also, detailed studies are conducted to determine the effectiveness of DEA's organizational structure and its work methods and procedures.

The Board of Professional Conduct enhances the DEA disciplinary system by bringing a balanced perspective of fairness, consistency and timeliness to its deliberations. Board activity involves close analysis and inquiry into integrity and accident investigations. Mitigating and aggravating factors are considered in determining the appropriateness of Board proposals for clearances and disciplinary actions.

The Planning and Inspections Division is the principal advisor to management on matters pertaining to strategic planning, evaluation, statistical systems, policy analysis, security and integrity. These functions are conducted by the following components:

- The Office of Inspections is responsible for conducting inspections and audits. Inspections determine if investigative, administrative and financial operations are efficient, effective and in compliance with applicable laws and regulations. The Office conducts investigations in connection with undercover operations, Equal Employment Opportunity matters as well as surveys and inquiries ordered by the Administrator.
- The Office of Security Programs provides security and protection of personnel, property, facilities, and information. DOJ Order 2600.2A mandates that agency security include: ADP/Telecommunications; and Document, Personnel, Physical and Contingency Planning.
- The Office of Professional Responsibility investigates integrity misconduct allegations directed at employees. The investigations are completed within 60 days.
- The Office of Planning and Evaluation consists of Policy and Program Evaluation Section, Physical Fitness unit and the Statistical Services Section. The Office provides management direction and control through policy and program analysis and strategic planning. Its studies and evaluation of operations and programs identify program problem areas within DEA. The Statistical Services Section implements and maintains statistical systems to meet agency needs.

59-584 O—86——45

Accomplishments and Workload:

(Congressional and Public Affairs)

Achievement during 1985 included:

- Coordinated the preparation and appearance of DEA officials in 17 Congressional hearings, and prepared responses for 513 letter inquiries from Congress and 840 Congressional telephone inquiries.
- Processed responses to 30,000 media inquiries and one million publication requests.
- Held sports clinics which addressed approximately 8,000 youth audiences.
- Represented the agency and participated in 30 drug-related conferences throughout the country.

(Office of Chief Counsel)

The Office of Chief Counsel represented DEA management in administrative hearings involving regulatory, personnel and EEO matters. As a result of the expanded jurisdiction provided by the Comprehensive Crime Control Act of 1984, administrative litigation, forfeiture and criminal matters increased greatly. For example, compliance and regulatory caseload increased from 50 in 1984 to 58 in 1985, and is expected to increase to 100 in 1986. Forfeiture cases rose from 1956 in 1984 to 4385 in 1985, and are expected to increase to 5000 in 1986. Criminal case required legal reviews also dramatically increased over the same period from 125 in 1984 to 250 in 1985. In 1986, 400 are anticipated.

(Office of Controller)

The Office of Controller continued its program toward improving DEA's overall financial management process. A more intensive analysis and coordinated review of the budget has been implemented with the FBI.

- The Accounting Section was realigned: to increase effectiveness and efficiency in support of the agency's mission; to establish a monitoring program on travel advances to minimize outstanding travel advances and timely collection of outstanding funds; to improve cash management practices in DEA to maximize the usage of government funds.
- The Budget Section evaluated agency program base resources and reallocated them to more accurately reflect operations and to make DEA's budget structure more consistent with that of the FBI's. In addition, the Budget Section:
  - Prepared or coordinated the responses to over 200 budget related questions from Congress, OMB and DOJ.
  - Supported DOJ operational and administrative management through nearly 7,700 DEAAS allowance entries and nearly 1,000 special reports and analysis.
  - Responded to approximately 250 inquiries from Congress, OMB, DOJ, and DEA management on items/issues not directly related to a budget submission.
- The Management Analysis Section satisfied DOJ, OMB and GAO requirements for implementation of A-123 by conducting 12 in-depth internal control reviews. OMB has designated four major DEA functions for A-76 productivity evaluations which Management Analysis has scheduled for 1986 and 1987.

(Board of Professional Conduct)

The Board of Professional Conduct completed decisions on 56 Integrity and Misconduct cases and 511 Government Vehicle accident cases.

(Planning and Inspection Division)

The Planning and Inspection Division achieved the following during 1985:

- During 1985, the Office of Planning and Evaluation (PE) developed an Agency-wide strategic planning process for DEA. Phase I of the implementation plan was carried out by an Intra-agency Task Force. The Task Force facilitated the development of 1988 strategic goals and objectives which were presented to the Executive Staff and approved by the Administrator on Septmber 9, 1985.

- The Office of Professional Responsiblity conducted 129 integrity and misconduct investigations.
- During 1985, the Office of Inspections conducted ten field division inspections, two foreign area office inspections, four follow-up inspections, four laboratory inspections and three special inspections. Nineteen audit were conducted concurrent with inspections and four special audits were performed. These inspections and audits resulted in the issuance of 336 recommendations that, when fully implemented, will result in increased efficiency, economy and effectiveness of operations, assure management that compliance with applicable laws, regulations and rules is achieved, and ensure adequacy of internal control over agency assets and expenditures.
- In 1985, the Office of Security programs accomplished 1,019 background investigations and conducted 45 Security Surveys of domestic and foreign offices. Note: There has been a general increased focus on security due to the terrorists threats and violence against agency personnel in 1985.
- During 1985, the Statistical Services Section maintained 16 agency-wide statistical systems, which will increase to 18 next year to accommodate the systems designed to capture drug and asset removals, Government-wide. This Section also prepared 115 recurring statistical reports and 400 responses to consumer requests for statistical information.
- The Physical Fitness Program Unit trained 60 additional employees as fitness coordinators, which brings the agency complement to 110. This is a sufficient number to screen and test both agents and other employees. Most of the tested agents were also provided with exercise regimens to improve their fitness.

Activity: Program Direction Subactivity: Administrative Services	1986 Appropriation Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	152	143	$8,436	152	143	$8,805	152	143	$8,805	...	...	...

Long-Range Goal: To provide effective and efficient administrative support to ensure the optimum achievement of the DEA mission.

Major Objectives:

To provide effective position management and appropriate compensation of employees, including merit pay, benefits, awards and retirement services.

To provide guidance and assistance and to process all disciplinary actions, and grievances and to establish policy and advise on performance appraisals.

To validate personnel procedures and practices, which will withstand legal challenges in areas of employee performance appraisal, selection, promotion, and discipline.

To provide health services, including employee assistance on personal and behavorial problems affecting performance and well being.

To recruit, staff and manage the most qualified DEA staff according to Federal Equal Employment Opportunity regulations and procedures.

To provide and manage adequate office space, special purpose facilities, furniture and office equipment to meet DEA requirements.

To provide permanent change of station orders processing and the necessary support services to affected employees.

To provide an efficient and responsive contracting and procurement program while increasing the level of participation of small, minority-owned businesses and firms that hire the handicapped.

To manage and monitor the status of the agency motor vehicle fleet in support of all DEA operational and administrative activities.

Base Program Description:

1. Personnel Operations - An effective Personnel Management Program is required to recruit and hire dedicated and competent staff to carry out the diversified functions inherent in DEA activities. The need for a highly mobile force, for locations in every state and over forty countries throughout the world, adds to personnel operation responsibilities. All personnel work, other than limited clerical functions are centralized in Washington, D. C.

All elements and all employees of the DEA are served by this program as follows:

- The primary responsibilities in the personnel area include planning, developing, administering and evaluating the DEA personnel program. Major objectives are accomplished through advertising vacancies consistent with the agency's merit promotion requirements; monitoring the agency's Federal Equal Opportunity Recruitment program; conducting job audits and establishing new positions; providing services to the Incentive Awards Committee; conducting onsite evaluations of the Personnel Management program and determining the extent to which field locations are receiving adequate personnel services; monitoring the agency's application of discipline, and obtaining grievance examiners where appropriate; administering an upward mobility program; providing advice and assistance to managers and employees concerning the performance appraisal system, and monitoring results of that system; providing administrative support required to administer the Merit Pay program; and administering a comprehensive program of developmental assignments to prepare qualified persons to assume executive and managerial roles.
- DEA employees are served by a comprehensive health program. Examining physicians or medical groups are available through contract at 90 sites throughout the United States for accomplishment of annual physical examinations. The medical examination program includes examinations for agents, chemists, and lab employees once every year for those individuals over the age of 40 and every three years for those under 40. It also provides medical evaluation for employees involved in clandestine labs where toxic exposure is present. Employees with acute medical or psychiatric problems are serviced by the Employee Assistance program staffed by DEA personnel at Headquarters and through contract personnel in field locations. In addition, DEA provides Health Unit support to employees at domestic sites through participation in the Federal Employee Occupational Health program.

2. Equal Employment Opportunity - EEO programs ensure that DEA complies with legal and moral responsibilities in acquiring and managing its workforce; to prevent discrimination and morale problems and to achieve equitable treatment of its employees:

- The EEO staff develops an EEO Report for Minorities and Women, the Affirmative Action Plan for Handicapped and Disabled Persons and the Federal Equal Opportunity Recruitment program plan. These activities form the basis for definitive actions to meet EEO objectives.
- EEO staff also works closely with the Office of Personnel to implement special employment programs, and training for managers and supervisors concerning their Affirmative Action responsibilities. Personnel policies, practices and procedures are reviewed to ensure that there is no adverse impact on minorities, women or handicapped persons.
- The EEO Office has specific responsibility for managing a distinctive ethnic component in the DEA's complaint system in processing complaints of discrimination.

3. General Services Function - General Services staff respond to all identifiable administrative support requirements and services requested from all DEA elements as follows:

- The acquisition and utilization of space are centrally managed. Requests for changes in office space and identified facility problems are evaluated and the appropriate action is taken.
- All permanent change of station orders are expeditiously processed. The necessary information is provided to the affected employee concerning relocation benefits and financial details.
- Sufficient stocks of office supplies and forms are maintained. Art, photographic and audio visual services are provided through in-house capabilities. Contract services are used for the remaining requirements.
- Requests for contracts and requisitions for other types of procurement are processed in accordance with regulations and policy by the DEA Procurement staff. Representative samplings of field procurements are reviewed for conformance to these regulations.
- Furniture and equipment requisitions are carefully evaluated prior to authorization. Use of rehabilitated items are implemented when feasible.

* Vehicle resources are controlled through a central vehicle management program to ensure that existing and future automobiles are both adequate and efficient, properly utilized, economically maintained, and replaced as required.

Accomplishments and Workload:

(Personnel Operations)

* In 1985, 22,510 applications were processed to fill the seven scheduled agent classes with 273 special agents hired. This work necessitated handling more than 5,632 telephone inquiries for the centralized operation. In addition, Personnel hired another 237 agents, with 129 accepting job offers. The 19 agent recruiters assigned to each field division provide the initial screening work on agent applications.
* Personnel conducted position reviews for 123 special agents, including those assigned to EPIC and to the foreign offices.
* The Office of Personnel completed the court-mandated validation of all special agent job assignments and job elements. This work included utilizing a contractual statistical analysis to assist in assessing and comparing work performances, appraisal criteria, knowledge, skills and experiences. The project is in the final stages of leading to an automated validation reporting system to provide ongoing status and evaluation of agency recruitment, placement and promotion practices.
* The DEA Personnel Manual was rewritten and published during 1985. This manual will require continuous review and revision.
* The Office of Personnel issued a desk top guide for agency use in preparing time and attendance reports. This will be of significant help in understanding this function and in minimizing preparation errors.

(Equal Employment Opportunity Programs)

* EEO processed 151 complaints during the current year in a timely fashion. During 1985, 75% of the complaints were resolved informally at the agency component counselor stage.
* A cooperative education program to recruit women and minorities continues to be productive. DEA provides approximately 20 cooperative positions, including 11 law enforcement, through this program.
* The Selective Placement Program for Handicapped Persons and Disabled Veterans continues to focus on employment and advancement of this target group.
* An EEO management information system, capable of producing detailed information for assessing and monitoring the DEA workforce, has been developed.
* Approximately 103 or 90% of the agency EEO counselors have attended an in-house subject seminar. Many Headquarters women in grades 11 and above, have taken a EEO management training course to enhance their job performances.
* In 1985 DEA awarded 24% of its prime contracts, amounting to $8,021,300 to small businesses; and approximately 20% amounting to $6,546,000 to minority business concerns under the Small Business Administration's 8(a) program. This data includes a $3,064,000 contract awarded in 1985 for services to be performed in 1986.

(Administrative Services)

* During 1985, 12,780 space related actions were initiated for both headquarters and field offices. These included space acquisitions, reductions, reconfigurations, alterations, and relocations involving approximately 2 million square feet of building space. Eleven (11) major alteration projects were completed and four (4) offices were relocated. Pending projects are being monitored and follow-ups are being made with the General Services Administration.

- An Accounting Subsystem has been implemented in the transportation area. Installation of a computer terminal has expedited the payment of airline tickets and has decreased the amount of paperwork previously required.
- The DEA Medical Clinic absorbed the functions of providing emergency employee health care and health examinations, which were previously performed by the Headquarters USPHS Health Unit, which was closed. Administrative Services contracted for physician services through the FBI. The physician provides 20 hours weekly to DEA. He conducts physical examinations for DEA employees in the Washington Metropolitan area, reviews medical reports received from field offices, and serves on appropriate boards and committees.
- There were 7,149 travel and transportation actions processed during 1985, compared to 5,780 in 1984. These actions included: Permanent Change of Station, Home Leave and educational travel, Government Bills of Lading, Storage authorizations, Airline Tickets issued, Passport/Visas obtained, and small shipments processed.
- Relocation packets were prepared and forwarded to all employees being transferred during the year. These packets include all Permanent Change-of-Station related forms, guidelines and general information as well as details on the Relocation Service contract, which went into effect in October 1984, as a joint contract with the Federal Bureau of Investigation.

Drug Enforcement Administration

Salaries and expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Domestic Enforcement		Diversion Control		Intelligence		State &Local Training		DEA Lab Services		Technical Operations		ADP and Telecommunications		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM 14	8	$355	---	---	2	$89	---	---	---	---	---	---	---	---	10	$444
GS 12	72	2,277	---	---	17	538	---	---	7	$221	---	---	9	$285	105	3,321
GS 11	9	237	---	---	---	---	---	---	---	---	9	$237	---	---	18	474
GS 5	23	331	---	---	---	---	---	---	---	---	---	---	---	---	23	331
Total positions and annual rate	112	3,200	---	---	19	627	---	---	7	221	9	237	9	285	156	4,570
Lapse (-)	-56	-1,600	---	---	-11	-354	---	---	-4	-128	-4	-118	-6	-190	-81	-2,390
Permanent workyears and compensation	56	1,600	---	---	8	273	---	---	3	93	5	119	3	95	75	2,180
Other personnel comp.	10	240	---	---	---	---	---	---	---	---	---	---	---	---	---	240
Total workyears and personnel compensation	66	1,840		---	8	273	---	---	3	93	5	119	3	95	85	2,420
Personnel benefits	---	278	---	---	---	36	---	---	---	12	---	16	---	12	---	354
Travel	---	925	---	---	---	115	---	---	---	19	---	32	---	1	---	1,092
Transportation of things	---	3	---	---	---	---	---	---	---	---	---	1	---	---	---	4
GSA	---	671	---	---	---	109	---	---	---	12	---	52	---	52	---	896
Other rentals	---	98	---	---	---	10	---	---	---	6	---	6	---	20	---	140
Utilities	---	446	---	---	---	44	---	---	---	19	---	19	---	6	---	534
Printing	---	16	---	---	---	5	---	---	---	1	---	1	---	1	---	24
Other services	---	1,758	---	-2,700	---	117	---	- 88	---	4	---	52	---	4,572	---	3,715
Supplies	---	264	---	---	---	5	---	---	---	23	---	1	---	---	---	293
Equipment	---	2,301	---	---	---	26	---	---	---	534	---	8,768	---	4,111	---	15,740
Total workyears and obligations, 1987	66	8,600	---	-2,700	8	740		- 88	3	723	5	9,067	3	8,870	85	25,212

Drug Enforcement Administration

Salaries and expenses

Priority Rankings

Base Program

Program	Ranking
Domestic enforcement	1
Foreign cooperative investigations	2
Organized crime drug enforcement	3
Diversion Control	4
Intelligence	5
ADP and telecommunications	6
Technical operations	7
DEA laboratory services	8
DEA training	9
Executive direction and control	10
Administrative services	11
State and local task forces	12
Records management	13
Research and engineering	14
State and local training	15
State and local laboratory services	16

Program Increases

Program	Ranking
ADP and telecommunications	1
Technical operations	2
Domestic enforcement	3
Intelligence	4
DEA laboratory services	5

Drug Enforcement Administration

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987 Program Increases	1987 Total
Attorneys (905)	22	22	...	22
Other Legal and Kindred (900-998)	5	5	...	5
Legal Instruments Examining Series (963)	29	29	...	29
General Investigating Series (1810)	319	319	...	319
Criminal Investigating Series (1811)	2,410	2,416	80	2,496
Miscellaneous Inspectors Series (1802)	34	34	9	43
Other Miscellaneous Occupations (001-099)	16	16	...	16
Intelligence Series (132-134)	216	219	19	238
Personnel Management (200-299)	81	81	...	81
General Administrative, Clerical and Office Services (300-399)	1,371	1,351	41	1,392
Biological Sciences (400-499)	4	4	...	4
Accounting and Budget (500-599)	128	128	...	128
Medical, Dental and Public Health (600-799)	3	3	...	3
Engineering and Architecture Group (800-899)	6	6	...	6
Information and Arts Group (1000-1099)	19	19	...	19
Business and Industry Group (1100-1199)	9	9	...	9
Physical Sciences Group (Other than Chemists) (1300-1399)	10	10	...	10
Chemist Series (1320)	157	157	7	164
Library and Archives Group (1400-1499)	3	3	...	3
Mathematics and Statistics Group (1500-1599)	7	7	...	7
Equipment, Facilities and Service Group (1600-1699)	2	2	...	2
Education Group (1700-1799)	5	5	...	5
Supply Group (2000-2099)	23	23	...	23
Transportation (2100-2199)	6	6	...	6
Upgraded (Wage Grade & Foreign Service Local)	21	21	...	21
Total	4,906	4,895	156	5,051
Washington	1,068	1,046	9	1,055
D.C. Field*	3,503	3,503	147	3,650
Foreign Field	335	346	...	346
Total	4,906	4,895	156	5,051

*Includes 247 positions for field offices in the Washington, D.C. Standard Metropolitan Statistical Area (SMSA) in each year.

Drug Enforcement Administration

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	4,895	4,753	$380,000
Adjustments to base:			
Savings resulting from management initiatives:			
Relocation of DEA training program to the FBI Academy, Quantico, Virginia	...	...	-$500
Uncontrollable increases:			
Annualization of 11 positions added to the Foreign Cooperative Investigations program in the 1986 Appropriation	...	6	550
Within-grade increases	...	...	1,713
Health benefits costs	...	...	64
Federal Employees' Compensation Act (FECA)	...	...	304
GSA Rent	...	...	2,446
GSA recurring reimbursable services	...	...	209
Postal services increases	...	...	117
Telephone system line charges	...	...	134
GPO printing costs	...	...	13
General pricing level adjustment	...	...	2,848
Foreign allowances	...	...	638
Distributed Administrative Support (DAS)	...	...	340
Cost escalation - replacement vehicles	...	...	270
Overseas mail	...	...	36
Field operations	...	...	4,557
Total, uncontrollables increases	...	6	14,245
Decreases:			
Federal Telecommunications Systems (FTS)	...	...	-361
Nonrecurring costs for 156 new positions provided for the Comprehensive Crime Control Act of 1984 in the 1985 program supplemental appropriation and annualized in the 1986 Congressional Appropriation	...	...	-1,128
Nonrecurring costs for 320 new positions requested in the 1985 Drug Initiative Congressional Supplemental and annualized in the 1986 Appropriation	...	...	-6,139
Total decreases	...	...	-7,628
1987 Base	4,895	4,759	386,117

Drug Enforcement Administration

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives:			
Relocation of DEA training program to the FBI Academy, Quantico, Virginia	...	...	-$500
Total management initiatives	...	...	-$500
Uncontrollable increases			
1. Annualization of the 11 positions added to the Foreign Cooperative Investigations program for 1986 Appropriation (PL 99-180)	...	6	550
2. Within-grade increases	...	...	1,713
This request provides for additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $1,513,000 and benefits $200,000 = $1,713,000).			
3. Health benefits costs	...	...	64
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1985. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased due to both carrier rate increases and changes in enrollment plans. The requested increase of $64,000 provides funds for increased costs from pay period No. 2 ($167,000) to pay period No. 3 ($169,460) projected for 26 pay periods. This increase was absorbed in for part of 1985 and all of 1986.			

	Perm. Pos.	Work-years	Amount
4. Federal Employees' Compensation Act (FECA) Workers' Compensation	...	...	304

This increase reflects the billing provided by the Department of Labor for the actual costs in 1985 of employees' accident compensation. The 1987 amount will be $4,108,000 or $304,000 over the 1986 base of $3,804,000.

5. GSA Rent	...	...	2,446

Beginning in 1987 the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $2,446,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

6. GSA recurring reimbursable services	...	...	209

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $209,000 over 1986 charges of $4,645,000.

7. Postal Service increases	...	...	117

In 1985 the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 were absorbed. For 1987, the requested increase of $117,000 provides for a 10 percent increase over the 1985 budgeted base of $1,170,000.

8. Telephone system line charges	...	...	134

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% the increase is due to tariff changes without enhancement of services. In addition, the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental

users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based integrated voice and data Private Branch Exchange (PBX). Funding of $134,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A non-recurring decrease of approximately $1.8 million would be included in the 1989 request.

9. GPO printing costs 19

The Government Printing Office (GPO) is currently projecting a 5 percent increase over the 1986 printing cost of $380,000. An additional $19,000 will be required in 1987.

10. General pricing level adjustment..... 2,848

This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expenses where inflation has already been built into the 1987 estimates.

11. Foreign allowances..... 638

Allowances for Government Employees in foreign areas are determined by the Department of State. The State Department anticipates a 11.4 percent increase in 1987. The requested increase of $638,000 provides 11.4 percent more than the $5,596,000 budgeted for 1986.

12. Distributed Administrative Support..... 340

Under the Foreign Affairs Administrative Support (FAAS) agreement an annual charge is made by the Department of State (DOS) for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 15 percent increase in foreign operation costs is anticipated. The increase of $340,000 is based on a 1986 base availability $3,281,000.

	Perm. Pos.	Work-years	Amount
13. Cost escalation-replacement vehicles	...	...	270

In 1987, an uncontrollable increase of $270,000 is required for costs associated with replacing automobiles in the DEA's fleet which meet GSA's replacement standards. This approximates a 5 percent increase over the base funding of $5,550,000 and is based upon a study by the Motor Vehicles Manufacturers Association. The 1984 study conducted, revealed that in the past 4 years, the cost of a domestic vehicle has increased an average of 9.8 pecent per annum. Because of the discount offered to the U.S. Government, the average cost of a DEA vehicle has increased approximately 7 percent per annum. Industry experts representing the major automobile manufacturers have advised that it is too diffcult to accurately predict a percent increase in the cost of a 1987 vehicle because of foreign trade quotas being lifted, coupled with the downsizing of American vehicles. However, they have indicated that in all probability, the percent increase will remain fairly constant.

14. Overseas Mail	...	...	36

The Military Postal Service Agency (MPSA) has advised that the billing for military postal transportation, for overseas mail, be increased from the 1986 level of $135,000 to $171,000 in 1987. An additional $36,000 is required for 1987.

15. Field operations	...	...	4,557

This request provides for a 9.7 percent increase to total field operations required as a result of the increases of 500 agent positions between mid 1983 and 1986. These agents will be fully operational in 1987 and experience has shown that base resources are not sufficient to maintain an effective level of enforcement activity.

Total uncontrollable increases	...	...	14,245
Decreases (Automatic Non-policy)			
1. Federal Telecommunications System (FTS)	...	...	-$361

The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, $361,000 will be subtracted from the 1986 base of $3,772,000.

	Perm. Pos.	Work-years	Amount
2. Nonrecurring costs for 156 new positions provided for the Comprehensive Crime Control Act of 1984 in the 1985 program supplemental appropriation and annualized in the 1986 Appropriation.			
a. Nonrecurring costs - Operating equipment for 156 new positions	...	...	-292
b. Nonrecurring costs - Full field investigations for 156 new positions	...	...	-238
c. Nonrecurring costs - Motor Vehicles	...	...	-444
d. Nonrecurring costs - Basic training of 126 Diversion Investigators	...	...	-154
3. Nonrecurring costs for 320 new positions requested in the 1985 Drug Initiative Congressional Supplemental and annualized in the 1986 Appropriation.			
a. Nonrecurring costs - Guard Service	...	...	$-957
b. Nonrecurring costs - Motor Vehicles	...	...	-2,010
c. Nonrecurring costs - Operating equipment, radios and technical investigative equipment	...	...	-3,172
Total decreases (automatic non-policy)	...	...	7,628
Total, adjustments to base	...	6	6,117

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III $73,600	1		1		...	
Executive Level V $68,700	1		1		...	
GS-18 $68,700	3		3		...	
GS-17 $68,700	12		12		...	
GS-16 $61,296-68,700	36		36		...	
GS/GM 15 $52,262-67,940	97		97		...	
GS/GM 14 $44,430-57,759	431		441		10	
GS/GM 13 $37,599-48,876	983		983		...	
GS-12 $31,619-41,105	1,834		1,939		105	
GS-11 $26,381-34,292	92		110		18	
GS-10 $24,011-31,211	3		3		...	
GS-9 $21,804-28,347	106		106		...	
GS-8 $19,740-25,662	55		55		...	
GS-7 $17,824-23,170	239		239		...	
GS-6 $16,040-20,855	398		398		...	
GS-5 $14,390-18,710	496		519		23	
GS-4 $12,862-16,723	84		84		...	
GS-3 $11,458-14,896	3		3		...	
Ungraded positions	21		21		...	
Total appropriated positions	4,895	$162,379	5,051	$166,949	156	$4,570
Pay above stated annual rate	...	630	...	665	...	35
Lapses	-197	311	-272	-5,158	-75	-5,469
Net full-time permanent workyears	4,698	163,320	4,779	162,456	81	-864
Other than full-time permanent:						
Part-time permanent	10	214	10	214	...	...
Temporary employment	25	630	25	630	...	...
Other part-time and intermittent employment	20	450	20	450	...	...
Other personnel compensation:						
Overtime	45	1,275	46	1,300	1	25
Administratively uncontrollable overtime	565	13,775	574	13,822	9	47
Other compensation	...	1,725	...	1,725	...	...
Total, workyears and personnel compensation	5,363	181,389	5,454	180,597	91	-792
Average ES Salary		($71,150)		($71,150)		
Average GS/GM Salary		($34,764)		($33,994)		
Average GS/GM Grade		10.76		10.77		

Mr. SMITH. This morning we have the Administrator of DEA, John C. Lawn. Welcome. Please proceed with your statement.

GENERAL STATEMENT

Mr. LAWN. Thank you, Mr. Chairman.

Mr. Chairman, I have a statement for the record, and I do have a reading statement.

Mr. SMITH. All right.

Mr. LAWN. I am pleased to have the opportunity to appear before you today to discuss the 1987 budget request for the Drug Enforcement Administration. This request continues the momentum of the initiatives that the President has proposed for drug law enforcement for the past five years.

This budget request is a clear acknowledgment by the President that drug abuse and drug trafficking are the nation's number one crime problem. DEA's budget request for fiscal year 1987 is for a total of $411,329,000 and 5,051 permanent positions, of which 2,496 are for special agent positions. This represents a net increase of $31,329,000 and 156 positions above the 1986 enacted level.

Included in the proposed net increase are program increases of $28 million, 156 positions including 80 special agent positions, program decreases of $2,788,000 and other management initiatives, and uncontrollable changes of $6,117,000.

A brief description of the program changes in this request are as follows: a program increase of 112 positions and $8.6 million to DEA's principal investigative program, Domestic Enforcement. These additional resources will focus on cocaine, heroin, and the dangerous drugs investigative efforts. This increase includes an additional 80 special agent positions.

A program increase of nine positions and $8.9 million to begin a long-term effort to upgrade and safeguard the operation of DEA's ADP and telecommunications systems. We require a fully encrypted and TEMPEST-rated capability with our systems to process national security information.

Increases of 9 positions and $9.1 million to the Technical Operations program for needed investments in voice privacy radio equipment, satellite and other communication vehicles, radio/electronic technicians, and other necessary equipment items.

Increases totaling 26 positions and $1.5 million in two programs, Intelligence and Lab Services, which directly support and enhance our overall investigative effort.

A program decrease of $2.7 million related to the Administration's decision not to implement a new State assistance grant operation under the overall Diversion Control program.

A program decrease of $88,000 resulting from a new Administration policy requiring State and local law enforcement officials receiving training from DEA to pay that portion of the costs related to travel, food and lodging.

FEDERAL DRUG STRATEGY

The critical point I would like to make is that while we have not won the war on drugs, there is substantial evidence that we are making significant strides in that direction. This can be seen from

the following: the President's National Strategy for the Prevention of Drug Abuse and Drug Trafficking is in place and is working. Under this initiative, there is strong emphasis on simultaneously attacking the drug problem by approaching both sides of the drug control equation.

We address the supply reduction side through international cooperation and aggressive drug law enforcement at home and the demand reduction side through drug abuse prevention and education.

We also have strong bipartisan Congressional support for this well balanced approach. In fact, the strategy of concurrently reducing both the supply and the demand for drugs is now being adopted by other nations caught up in the throes of drug trafficking and drug abuse.

DRUG SUPPLY REDUCTION

Specifically, on the supply reduction side we have seen major accomplishments. Federal drug arrests in fiscal year 1985 increased about 20 percent, and arrests of major traffickers increased over 40 percent. Drug seizures also increased substantially. The Government has seized and forfeited a record amount of traffickers' profits, property, and proceeds derived from the drug trade.

International cooperation has never been stronger. And the major drug producing nations are taking serious measures to control drug production.

DRUG DEMAND REDUCTION

No less important are our concurrent efforts to prevent drug abuse and drug demand. Prevention and education are achieving success in this area as well. Efforts, such as the Coaches Program, are having a definite impact. In fact, we have just launched the Sports Drug Awareness Program in Europe.

We are encouraged by the continuing reduction in marijuana use by high school students and the polls which show that their attitudes are shifting away from substance abuse. In the past few years, we have also seen the parents' movement blossom into a network of more than 8,000 organizations working diligently for a drug free America.

This concludes my statement, Mr. Chairman. I shall be happy to answer any questions.

[The prepared statement of John C. Lawn follows:]

DEPARTMENT OF JUSTICE

DRUG ENFORCEMENT ADMINISTRATION
STATEMENT OF JOHN C. LAWN, ADMINISTRATOR
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS THE 1987 BUDGET REQUEST FOR THE DRUG ENFORCEMENT ADMINISTRATION. THIS REQUEST CONTINUES THE MOMENTUM OF THE INITIATIVES PRESIDENT REAGAN PROPOSED FOR DRUG LAW ENFORCEMENT.

THE PRESIDENT'S BUDGET RECOGNIZES THAT EVEN IN THIS ERA OF REDUCED FEDERAL SPENDING, THERE ARE CERTAIN PRIORITY LAW ENFORCEMENT FUNCTIONS THAT NOT ONLY MUST BE MAINTAINED, BUT STRENGTHENED. IT IS CLEAR THAT FEDERAL DRUG LAW ENFORCEMENT AND ITS CRITICAL RESPONSIBILITY TO STEM THE FLOW OF ILLEGAL DRUGS IS ONE OF THOSE PRIORITIES.

WHILE WE RECOGNIZE THAT THE DRUG WAR CANNOT BE WON IN THE SHORT TERM, WE ARE MAKING SIGNIFICANT PROGRESS. IN THE PAST YEAR ALONE WE HAVE SEEN MAJOR ACCOMPLISHMENTS. FEDERAL DRUG ARRESTS HAVE INCREASED ABOUT 20 PERCENT AND THE ARRESTS OF THE MAJOR TRAFFICKERS INCREASED 40 PERCENT. CONVICTION RATES ARE ALSO UP. DRUG SEIZURES ALSO INCREASED SUBSTANTIALLY, AND THE GOVERNMENT HAS SEIZED AND FORFEITED A RECORD AMOUNT OF THE TRAFFICKERS PROCEEDS, PROPERTY, AND PROFITS DERIVED FROM THE DRUG TRADE.

THIS BUDGET REQUEST CONTAINS MODEST INCREASES TO ENSURE THAT WE DO NOT LOSE THE MOMENTUM THAT WE HAVE GAINED. WITH THE FULL MOBILIZATION OF THE

SUBSTANTIAL RESOURCES RECENTLY RECEIVED IN THE 1985/1986 DRUG INITIATIVES AND THE ADDITION OF THE RESOURCES REQUESTED FOR 1987, WE CAN CONTINUE TO MAKE SIGNIFICANT GAINS.

BUDGET REQUEST

DEA'S BUDGET REQUEST FOR 1987 IS FOR A TOTAL OF $411,329,000 AND 5,051 PERMANENT POSITIONS, OF WHICH 2,496 ARE SPECIAL AGENTS. THIS REPRESENTS A NET INCREASE OF $31,329,000 AND 156 POSITIONS ABOVE THE 1986 ENACTED LEVEL. INCLUDED IN THE PROPOSED NET INCREASES ARE PROGRAM INCREASES OF $28,000,000, 156 POSITIONS, INCLUDING 80 SPECIAL AGENTS; PROGRAM DECREASES OF $2,788,000; AND OTHER MANAGEMENT INITIATIVES AND UNCONTROLLABLE CHANGES OF $6,117,000.

A BRIEF DESCRIPTION OF THE PROGRAM CHANGES IN THIS REQUEST ARE AS FOLLOWS:

° A PROGRAM INCREASE OF 112 POSITIONS AND $8.6 MILLION TO DEA'S PRINCIPAL INVESTIGATIVE PROGRAM, DOMESTIC ENFORCEMENT. THESE ADDITIONAL RESOURCES WILL FOCUS ON COCAINE, HEROIN, AND DANGEROUS DRUGS INVESTIGATIVE EFFORTS. THIS INCREASE INCLUDES THE ADDITIONAL 80 SPECIAL AGENT POSITIONS.

° A PROGRAM INCREASE OF 9 POSITIONS AND $8.9 MILLION TO BEGIN A LONG-TERM EFFORT TO UPGRADE AND SAFEGUARD THE OPERATION OF DEA'S ADP AND TELECOMMUNICATIONS SYSTEMS. WE REQUIRE A FULLY-ENCRYPTED AND TEMPEST-RATED CAPABILITY WITH OUR SYSTEMS TO PROCESS NATIONAL SECURITY INFORMATION.

- Increases of 9 positions and $9.1 million to the Technical Operations program for needed investments in voice privacy radio equipment, satellite and other communications vehicles, radio/electronic technicians, and other necessary equipment items.

- Increases totaling 26 positions and $1.5 million in two programs (Intelligence and Lab Services) which directly support and will enhance our overall investigative effort.

- A program decrease of $2.7 million related to the Administration's decision not to implement a new State Assistance grant operation under the overall Diversion Control program.

- A program decrease of $88,000 resulting from a new Administration policy requiring state and local law enforcement officials receiving training from DEA to pay that portion of the costs relating to food and lodging. Virtually all other cabinet agencies currently charge non-Federal trainees for these costs.

The National Strategy

The 1987 request for the Drug Enforcement Administration reflects the President's deep concern that illegal drugs are the nation's number one crime problem.

TODAY, DEBATE HAS BEEN REPLACED WITH ACTION, AND FEELINGS OF HOPELESSNESS ARE GIVING WAY TO A NATIONAL CONFIDENCE IN OUR ABILITY TO ULTIMATELY PREVENT DRUG ABUSE AND TO STOP THE DRUG TRAFFIC. YET, THIS IS A TIME OF TREMENDOUS CHALLENGE. ILLICIT DRUGS REMAIN READILY AVAILABLE AND DRUG ABUSE REMAINS WIDESPREAD DESPITE INTENSIVE ANTI-DRUG EFFORTS OVER THE PAST SEVERAL YEARS. NONETHELESS, WE ARE MAKING PROGRESS AND WE HAVE REASON TO BE OPTIMISTIC ABOUT THE FUTURE.

OUR CONFIDENCE COMES PRIMARILY FROM THREE SOURCES. FIRST, WE SEE A SIGNIFICANT CHANGE IN ATTITUDE ACROSS THE NATION. INDIVIDUALS, COMMUNITIES AND CORPORATIONS ARE TAKING FIRM STANDS AGAINST DRUG ABUSE. THERE IS A BROAD CONSENSUS THAT DRUG ABUSE IS CLEARLY WRONG AND THAT INDIVIDUALS WHO TAKE DRUGS OR PROMOTE DRUG TAKING BY OTHERS WILL BE HELD RESPONSIBLE FOR THEIR ACTIONS.

SECOND, WE HAVE LEARNED A GREAT DEAL FROM PAST EXPERIENCE. FOR 50 YEARS, FEDERAL POLICYMAKERS BELIEVED THAT THE MOST EFFECTIVE WAY TO FIGHT DRUG ABUSE AT HOME WAS TO ELIMINATE DRUG PRODUCTION IN FOREIGN SOURCE COUNTRIES. WE NOW RECOGNIZE WE MUST GIVE EQUAL AND SIMULTANEOUS ATTENTION TO DRUG LAW ENFORCEMENT AND DEMAND REDUCTION, BOTH AT HOME AND ABROAD.

THIRD, WE HAVE IMPLEMENTED A COMPREHENSIVE NATIONAL STRATEGY FOR THE PREVENTION OF DRUG ABUSE AND DRUG TRAFFICKING. WE ARE ATTACKING THE PROBLEM ON EVERY FRONT. THE FIVE-POINT PROGRAM INCLUDES:

- AGGRESSIVE DRUG LAW ENFORCEMENT AT HOME.

- INTERNATIONAL COOPERATION WITH OTHER NATIONS TO ELIMINATE THE AVAILABILITY OF ILLICIT DRUGS.

- MEDICAL DETOXIFICATION AND TREATMENT TO HELP DRUG USERS OVERCOME DRUG ABUSE.

- RESEARCH TO DEVELOP ACCURATE INFORMATION ABOUT ILLICIT DRUGS AND EFFECTIVE WAYS TO PREVENT AND TREAT DRUG ABUSE.

- AND, MOST NOTABLY, DRUG ABUSE PREVENTION HAS BEEN BROUGHT TO THE FOREFRONT AS THE LONG-RANGE SOLUTION TO THE DRUG PROBLEM.

SINCE THE STRATEGY WAS IMPLEMENTED IN 1982, WE HAVE BUILT AN ARSENAL OF POTENT WEAPONS TO USE AGAINST DRUG ABUSE AND DRUG TRAFFICKING, AND WE ARE USING THESE WEAPONS WITH INCREASING EFFECTIVENESS. THERE IS STILL MUCH TO BE DONE, BUT WE ARE MAKING PROGRESS. THIS WILL BECOME EVIDENT AS I DESCRIBE SEVERAL REPRESENTATIVE PROGRAMS WHICH ARE NOW UNDERWAY.

INTERNATIONAL COOPERATION

WITHIN THE INTERNATIONAL COMMUNITY, MORE NATIONS ARE INVOLVED IN THE ANTI-DRUG EFFORT THAN AT ANY TIME IN HISTORY. MANY OF THESE NATIONS ARE RECOGNIZING THAT DRUG ABUSE AND DRUG TRAFFICKING ARE NOT UNIQUELY A UNITED STATES PROBLEM OR A PROBLEM OF WESTERN CIVILIZATION. MAJOR DRUG SOURCE COUNTRIES, SUCH AS PAKISTAN AND COLOMBIA, HAVE EXPERIENCED RAPIDLY RISING DOMESTIC DRUG ABUSE, AS WELL AS THE OTHER EQUALLY SEVERE PROBLEMS RELATED TO THE ILLICIT DRUG TRAFFIC.

SEVERAL MAJOR EVENTS OF THE PAST 18 MONTHS -- INCLUDING THE DETECTION OF HUGE DRUG PRODUCTION CENTERS IN COLOMBIA AND MEXICO AND THE ASSASSINATION OF PUBLIC OFFICIALS INVOLVED IN ANTI-DRUG EFFORTS -- HAVE

FOCUSED INTERNATIONAL ATTENTION ON THE FACT THAT THE DRUG TRAFFICKERS HAVE A BROAD SPHERE OF INFLUENCE AND ARE NOT RELUCTANT TO USE VIOLENT TERRORIST-LIKE TACTICS. HOWEVER, ACTS OF VIOLENCE BY THE TRAFFICKERS TO RETALIATE AGAINST SUCCESSFUL ANTI-DRUG EFFORTS HAVE NOT HAD THEIR INTENDED EFFECT. INSTEAD OF INTIMIDATING THE GOVERNMENTS AND OFFICIALS INVOLVED, THESE ACTS HAVE STRENGTHENED OUR RESOLVE TO BREAK THE GRIP OF THESE CRIMINALS ON SOCIETY.

FOR EXAMPLE, THE INTENSITY OF THE ANTI-DRUG EFFORT IN COLOMBIA IS FORCING THE DRUG TRAFFICKERS TO MODIFY THEIR OPERATIONS, INCLUDING ESTABLISHING NEW SOURCES AND BASES OF OPERATION. WE ARE WORKING TO ENSURE THAT THERE ARE NO SAFEHAVENS FOR THE TRAFFICKERS. THE VARIOUS INVOLVED GOVERNMENTS ARE VIGILANT, AND WE ARE COMMUNICATING WITH EACH OTHER. INTERNATIONAL COOPERATION AND INFORMATION EXCHANGE ARE RESULTING IN EARLIER DETECTION OF DRUG TRAFFICKING ACTIVITIES AND GREATER NUMBERS OF BILATERAL AND MULTILATERAL ACTIONS DIRECTED AT THE VARIOUS STAGES OF DRUG PRODUCTION AND TRAFFICKING.

WE ARE MOVING FORWARD WITH OTHER APPROACHES TO DISRUPT THE DRUG TRAFFIC, MANY OF WHICH ARE LESS TRADITIONAL. IN ADDITION TO GOING AFTER THE TRAFFICKERS AND SEIZING THEIR DRUGS AND ASSETS, WE ARE GOING AFTER THE CHEMICALS WHICH ARE NEEDED TO CONVERT THE RAW PLANT MATERIAL INTO DRUGS. THIS WAS THE GENESIS OF OPERATION CHEMICAL CONTROL, KNOWN AS CHEMCON.

OPERATION CHEMCON IS SUCCESSFUL BECAUSE OF COOPERATION AMONG NATIONS AND SUPPORT FROM THE PRIVATE SECTOR -- IN THIS CASE, THE LEGITIMATE CHEMICAL INDUSTRY.

Domestic Enforcement

Cooperation is no less the key ingredient of our domestic programs. The goal of the National Strategy for the Prevention of Drug Abuse and Drug Trafficking is to bring the full range of resources -- from all levels of government -- to bear against the drug problem.

For example, we have seen how the cooperative efforts inherent in the Organized Crime Drug Enforcement Task Forces have disrupted the drug traffic and provided a highly visable sign that the United States is committed to stopping the trafficking of drugs in our country.

The Drug Enforcement Administration is at the forefront of this, and other numerous initiatives. As the lead Federal agency, DEA is responsible for providing central leadership and for the coordination of intelligence and investigative activities relating to the suppression of illicit drugs.

The joint involvement of the FBI into drug investigations, with approximately 1,000 FBI agents dedicated to the task, has made a significant impact on the drug trafficking problem. In addition, there is an ongoing effort toward a "link-up" of several other DEA and FBI activities. For example, we have recognized that it is more efficient to have DEA operate training activities at the FBI's training site in Quantico, Va. than in Glynco, Georgia at the Federal Law Enforcement Training Center.

There are numerous Federal, State, and local cooperative ventures that are currently ongoing. None is more enthusiastically received than the Domestic Cannabis Eradication and Suppression program. This program has been

GROWING OVER THE YEARS AND I AM PLEASED TO ANNOUNCE THAT ALL 50 STATES PARTICIPATED IN THE 1985 OPERATION.

IN AUGUST 1985, DEA LED OVER 2,000 FEDERAL, STATE, AND LOCAL OFFICIALS ON THE LARGEST MARIJUANA RAID IN THE HISTORY OF LAW ENFORCEMENT. THIS WAS A COORDINATED RAID, CONDUCTED SIMULTANEOUSLY IN ALL 50 STATES. SOME OF THE SITES WERE ON FEDERAL LAND, HOWEVER, MOST WERE NOT. ALL TOGETHER, OVER 400,000 CANNABIS PLANTS WERE ERADICATED.

MANY OF THE DRUG TRAFFICKING ORGANIZATIONS WITH WHICH WE MUST CONTEND SPAN REGIONAL AND INTERNATIONAL BOUNDARIES. IN THIS REGARD, COOPERATION BETWEEN LOCAL, STATE, FEDERAL AND FOREIGN OFFICIALS IS ESSENTIAL TO A CONCERTED ATTACK ON THE TRAFFIC. WE HAVE SUCCESFULLY USED TASK FORCES TO ENSURE THIS COOPERATION.

AS ANOTHER EXAMPLE, WE NOW HAVE 34 FORMAL STATE AND LOCAL TASK FORCES. THE TASK FORCES HAVE PROVEN EFFECTIVE COMPLEMENTS TO FEDERAL DRUG ENFORCEMENT EFFORTS BY STRENGTHENING INVESTIGATIONS AIMED AT THE MID-LEVEL VIOLATORS -- THE LINK BETWEEN SUPPLIER AND CONSUMER.

WE ARE REAPING THE BENEFITS OF THE COMPREHENSIVE CRIME CONTROL ACT OF 1984. AS AN INCENTIVE, CONGRESS BUILT INTO THIS CRIME BILL A PROVISION TO PERMIT THE EQUITABLE SHARING OF SEIZED ASSETS IN THOSE CASES WHERE STATE AND LOCAL AGENCIES "DIRECTLY ASSIST" IN THE SEIZURE ACTION. LAST YEAR, DEA SEIZED NARCOTICS-RELATED ASSETS WITH A VALUE OF APPROXIMATELY $220 MILLION, WHICH WAS SHARED, IN PART, WITH LOCAL POLICE DEPARTMENTS WHO PARTICIPATED IN THE INVESTIGATIONS.

EDUCATION AND PREVENTION

I WOULD LIKE TO SHIFT THE FOCUS AND ADDRESS AN AREA THAT ALL-TOO-OFTEN IS NEGLECTED BY LAW ENFORCEMENT -- THE AREA OF DRUG ABUSE EDUCATION AND PREVENTION, WHICH IS ANOTHER KEY PART OF THE STRATEGY.

REGARDLESS OF THE NUMBERS OF DEA AND FBI AGENTS, THE NUMBER OF STATE AND LOCAL POLICE OFFICERS, OR WHETHER THAT LEVEL IS DOUBLED OR TRIPLED, THE LONG-TERM ANSWER TO THE DRUG ABUSE PROBLEM GOES BEYOND LAW ENFORCEMENT. THE LONG-TERM SOLUTION IS EDUCATION FOR OUR YOUTH, OUR PARENTS, OUR COMMUNITY LEADERS TO PREVENT DRUG ABUSE, TO PREVENT THE DEMAND FOR DRUGS IN THE FIRST PLACE. FOR EXAMPLE, WE ARE ENLISTING THE ASSISTANCE OF PUBLIC FIGURES SUCH AS PRO-ATHLETES, WHO ARE IMPORTANT ROLE MODELS, TO SPEAK OUT AGAINST DRUG ABUSE AND SPREAD THE WORD THAT DRUG ABUSE IS NOT GLAMOROUS. THAT DRUG ABUSE CAN BE OVERCOME.

AS I MENTIONED, THE ANSWER IS PREVENTION. WE SEE A GROUNDSWELL OF SUPPORT ACROSS THE COUNTRY. IN JUST THE LAST FEW YEARS, THE NATIONAL FEDERATION OF PARENTS OF DRUG-FREE YOUTH HAS EMERGED AND IS IN TOUCH WITH OVER 8,000 GROUPS OF PARENTS AND ORGANIZATIONS AROUND THE COUNTRY DEDICATED TO STOPPING DRUG ABUSE. BUSINESSES AND CIVIC ORGANIZATIONS HAVE MANY EXCITING INITIATIVES UNDERWAY TO COMMUNICATE ACCURATE INFORMATION ABOUT DRUG ABUSE TO LARGE SEGMENTS OF THE POPULATION.

LAW ENFORCEMENT HAS A RESPONSIBILITY TO BE INVOLVED IN PREVENTION ACTIVITIES. AS AGENTS, WE SEE THE SEEDY SIDE OF DRUG ABUSE, WE SEE WHAT HAPPENS TO THE ABUSER AND TO THEIR OFFSPRING. WE SEE WHAT HAPPENS TO THE TRAFFICKER, HOW HE OR SHE MAKES A LIVING AT THE EXPENSE OF OTHERS, VICTIMIZING SOCIETY. WE SEE FIRST HAND WHAT IS HAPPENING AND IT IS FRIGHTENING.

In the Summer of 1984, at the annual meeting of the High School Athletic Coaches Association, we unveiled the Sports Drug Awareness Program -- Team Up For Prevention. DEA agents gave drug abuse seminars to high school coaches around the country, and this effort is continuing. Our goal is to reach all 48,000 high school coaches. They can reach 5.5 million-student athletes who, in turn, can be role models for their own peer groups. If each one of these athletes reaches one student -- that is a substantial impact. Hopefully, we will ultimately reach all 57 million young people in kindergarten through grade 12. Also, DEA has just launched the Sports Drug Awarness Program in Europe.

Organization Support

Beyond the normally expected dedication of our men and women directly involved in carrying out our mission we should never fail to acknowledge the important role which the DEA support staff plays in drug law enforcement. Our special agents are effective in our enforcement efforts because of the assistance they receive from the professional and technical staffs in intelligence, science and technology, trainning, analytical testing laboratories, logistical support, congressional and public affairs, and administrative support.

Gramm - Rudman - Hollings (P.L. 99 -177)

Before closing, I would like to say a word about the Gramm-Rudman-Hollings sequester process for 1986.

As a result of the Act, the fiscal year 1986 DEA appropriation of $380 million will be reduced by 4.3 percent, which is $16 million.

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object class	1986 Estimate Workyears	1986 Estimate Amount	1987 Request Workyears	1987 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation :						
11.1 Full-time permanent	4,698	$163,320	4,779	$162,456	81	-$864
11.3 Other than full-time permanent	55	1,294	55	1,294	...	...
11.5 Other personnel compensation	610	16,775	620	16,847	10	72
Total, workyears and personnel compensation	5,363	181,389	5,454	180,597	91	-792
12 Personnel benefits		39,046		39,884		838
13.0 Benefits to former personnel		...		...		...
21 Travel and transportation of persons		18,986		19,551		565
22 Transportation of things		4,687		4,817		130
23.1 Standard level user charges		20,562		23,904		3,342
23.2 Other rent		5,828		6,008		180
23.3 Utilities		21,300		22,644		1,344
24 Printing and reproduction		885		928		43
25 Other services		69,671		73,637		3,966
26 Supplies and materials		12,064		13,863		1,799
31 Equipment		15,473		25,371		9,898
32 Land and structures		...		...		...
41 Grants, subsidies and contributions		...		...		...
42 Insurance claims		125		125		...
Total obligations	5,363	390,016	5,454	411,329	91	21,313
Relationship of obligations to outlays:						
Obligated balance, start of year		42,293		50,361		
Obligated balance, end of year		-50,361		-58,588		
Adjustments in expired accounts		...		...		
Outlays		381,948		403,102		

DEA IS MAKING EVERY EFFORT TO LIMIT THE IMPACT ON HIGH PRIORITY, SENSITIVE AREAS. ONGOING DEA ENFORCEMENT OPERATIONS SHOULD NOT BE SIGNIFICANTLY AFFECTED, NOR SHOULD HIRING AND STAFFING PLANS HAVE TO BE ADJUSTED AT THIS TIME.

CLOSING

IN CONCLUSION, I WOULD LIKE TO EMPHASIZE THAT ALTHOUGH WE HAVE A LONG WAY TO GO BEFORE WE CAN SAY THAT WE HAVE WON THE WAR ON DRUGS, WE ARE MAKING PROGRESS. WE LOOK WITH PRIDE ON WHAT HAS BEEN ACCOMPLISHED, WITH RESOLUTION THAT MORE MUST BE DONE, AND WITH THE CONVICTION THAT OUR MISSION AND ITS SUCCESS ARE CRITICAL TO THE FUTURE OF OUR COUNTRY. WE HAVE EXPERIENCED MUCH SUCCESS, AND WE HAVE SHARED THE BURDEN OF THE TRAGEDY OF LOSS. BOTH HAVE STRENGTHENED OUR DETERMINATION AND OUR COMMITMENT.

IN THIS COUNTRY WE ARE NOW IN A MODE WHERE ALL OF US INVOLVED IN DRUG CONTROL -- PARENTS, YOUNG PEOPLE, EDUCATORS, LAW ENFORCEMENT, CELEBRITIES FROM ALL WALKS OF LIFE, CONGRESS -- ARE ALL TEAMING UP TO ATTACK THE DRUG PROBLEM ON ALL FRONTS. OUR NATIONAL WILL IS CHANGING. AND WITH THE SUPPORT WE AT DEA ARE GETTING, WE WILL BE SUCCESSFUL.

THIS CONCLUDES MY STATEMENT, MR. CHAIRMAN. I SHALL BE PLEASED TO ANSWER ANY QUESTIONS YOU OR OTHER MEMBERS OF THE SUBCOMMITTEE MAY HAVE.

MARIJUANA PROBLEM

Mr. SMITH. Thank you Mr. Lawn. Your statement seems to imply, although it does not directly say so, that the reduction in marijuana use, for example, has not been due as much to money that is spent and efforts made as it has been to the change of attitude. Is that a fair statement?

Mr. LAWN. No, sir, I do not think it is. I think there is a balance to be drawn. I think on the enforcement side we are taking the profit out of trafficking. What we are seeing, however, is that unless something is done on the demand side, while we can continue to investigate, arrest, and convict traffickers, someone will fill the void and take their place.

So while enforcement is absolutely critical, we think that part of the equation must be on the demand side. We think enforcement is absolutely critical to whatever success we have had.

DRUG ABUSE PREVENTION AND EDUCATION

Mr. SMITH. People have been telling this committee for several years that that has been where there has been a lack of attention, on getting people to have the right attitude. Is there any plan for any kind of enhanced program to change people's attitudes about drugs?

Mr. LAWN. Yes, sir. The Drug Enforcement Administration has been working on such a program for over two years. The particular program in DEA involves the high school coaches. Two years ago, based upon an inquiry from a high school coach here in Washington, D.C., we approached the National High School Coaches Association and asked if they felt that drug education would be necessary for them.

Based upon their interest, we began this education program which ultimately will reach 48,000 high school coaches in 22,000 school districts in the country, with direct impact on 5.5 million youngsters.

This program has been so successful that we have sent models of this program to five countries. On Monday of this week, I was in Brussels, Belgium, where we introduced our first program for the American schools in Europe, similar to the programs we have established here in the United States.

Mr. SMITH. Well, do those coaches interface primarily with pupils that are interested in sports, or with all the pupils?

Mr. LAWN. Well, sir, as we approached the program, we were leaning heavily on the fact that the coach has the respect of the students in a given school. The coach also has the undivided attention of the athletes with whom he works. We are hoping if we can first convince the athletes and then have the athletes themselves exert peer pressure on their fellow students, this will have an impact. And, indeed we believe it has had an impact.

Mr. SMITH. Well, we have seen with tobacco, for example, that there was no change in consumption really until people decided it was not good for them, you know. I hear a lot of people saying the same thing, that we are not doing enough to convince people that drugs are really harmful. I hear them still talking about marijuana as being a recreational drug.

Mr. LAWN. I have heard the same thing, Mr. Chairman. And unfortunately, those same people do not avail themselves of the 7,000 medical reports and 9,000 medical papers that are available to all of us which outline the tremendous health problems associated with marijuana use.

Mr. SMITH. I am not sure we are doing enough to get the message out as to what is known. There for a while we did not know. And Mr. Dwyer and I sit on the Subcommittee that handles NIH funding. We heard the head of a couple of the institutes tell us for several years that there is no evidence that marijuana has any lasting impact. Well, they could have just as well said there is no evidence that it does not. But they always state it in the other way.

Mr. LAWN. Yes, sir.

Mr. SMITH. Mr. Dwyer.

DRUG AWARENESS

Mr. DWYER. Just following up on your line of questioning, Mr. Chairman, is there any attempt to synchronize this consumers' education program with the NIH to develop the same set of facts or type of facts that were developed as far as lung cancer and smoking are concerned? That really was the most effective thing in controlling the use of tobacco. Is there anything afoot in that regard?

Mr. LAWN. Yes, sir. As you know, we are primarily a law enforcement agency. In our prevention program, we work very closely with NIH. And in working closely with them, the literature that is published by NIH and specifically by the NIDA, the National Institute on Drug Abuse, we make that information available to the United States Attorneys around the country.

Attorney General Meese has just established a program where every United States Attorneys' Office in this country must also involve itself in drug prevention programs. So, we are now circulating that information through the U.S. Attorneys.

Mr. DWYER. My question is: is there an attempt being made to establish, a strong case being made to establish, what the medical results are from smoking marijuana and the use of cocaine and the other drugs that are causing such strife in our society? Is there a plan afoot to actually run a clinical trial to establish this?

Mr. LAWN. Certainly not a plan by the Drug Enforcement Administration.

Mr. DWYER. Well, what is the President's overall plan? Are you familiar with that plan?

Mr. LAWN. Yes, sir. There is an overall plan which is directed by Dr. Carlton Turner of the White House Office on Drug Abuse. We certainly work with Dr. Turner. We coordinate all of our drug prevention activities with Dr. Turner.

But other than that, the overall strategy, the national strategy, is a five-part strategy, one part of which specifically addresses drug prevention. And all of the drug prevention agencies do work together in formulating that strategy.

Mr. DWYER. How much money is being spent by this government in connection with narcotics or drugs at the present time? Do you have any idea of the total amount?

Mr. LAWN. No, sir, I do not know the figure, sir.

JOINT EFFORTS BETWEEN DEA AND FBI

Mr. DWYER. Are you directly responsible to the FBI?

Mr. LAWN. For investigations?

Mr. DWYER. For whatever?

Mr. LAWN. I am responsible to the Attorney General of the United States.

Mr. DWYER. Was there not some kind of merger a couple of years ago, merger of the DEA and FBI?

Mr. LAWN. In 1982, Attorney General Smith gave concurrent jurisdiction to the FBI. And we were mandated to work closely together with the FBI to coordinate our investigations, to create enhancements in both agencies so that we are working at common purposes, working in cadence. We have done that.

We have a number of efforts that we have undertaken over the past four years which have us working extremely closely together. Currently, we have some 755 joint investigations. We are currently training DEA personnel at the FBI Academy. There are any number of efforts in which we are coordinating our investigations.

Mr. DWYER. But you have no idea of what the overall federal cost is for the anti-narcotics program?

Mr. LAWN. I have been told $1.4 billion.

INTERNATIONAL OPERATIONS

Mr. DWYER. And you are asking for $400 million of that 1.4 billion.

Another question, as part of our, I guess it is in our foreign operations area, there is an awful lot of money spent with foreign governments in connection with narcotics. Are you involved in that in any way?

Mr. LAWN. Well, sir, we are involved in that we do have some of our personnel overseas. But that money for operations overseas is funded for enforcement purposes by the State Department, Office of International Narcotics Matters.

Mr. DWYER. Who feeds them the information as to the basis of making their judgments and where that money should be spent? Is it DEA?

Mr. LAWN. DEA certainly participates in that information gathering. But there are narcotics coordinators who provide information to the State Department in each of the our embassies around the world.

Mr. DWYER. I see the country programs are costing us about $55 million. And they are spread over a number of countries. And I was wondering who decides what country gets what amount for what efforts for interdiction and so on and so forth? I am wondering who supplies the State Department with that information? Your department, the FBI?

Mr. LAWN. Certainly our Department. We are operational overseas, we work very closely with John Thomas of the State Depart-

ment. The FBI, in an overseas capacity, is not operational. Their efforts overseas are in a liaison capacity. Therefore any input they would have as far as international drug law enforcement would be minimal.

INCREASE IN DRUG ABUSE

Mr. DWYER. Is use of drugs on the increase?

Mr. LAWN. No, sir. Cocaine certainly is on the increase. Marijuana use has declined for the fifth year in a row. Heroin use has stabilized. But cocaine is on the increase. We have estimated that its use has increased by about 12 percent last year. Emergency room admissions have increased by about 50 percent. Deaths associated with overdoses of cocaine have increased by perhaps 70 percent.

Mr. DWYER. The total number of users, has that amount increased in the last few years?

Mr. LAWN. I would say the number of users of cocaine, yes, sir, has increased, but not marijuana users.

Mr. DWYER. I understand that. But I am talking about the bottom line figure. Do we have a larger number of people using narcotics in this country than we did last year, year before that?

Mr. LAWN. Considering all the drugs, I would say that the population of drug users has increased, yes, sir.

VALUE OF NARCOTICS

Mr. DWYER. How about in dollar value, the tremendous amount of money involved in narcotics? That has increased commensurately each year too?

Mr. LAWN. Yes, sir, I would say so.

Mr. DWYER. In your opinion what do you think will bring about a decrease? And how much money will we have to spend before we find a decrease?

Mr. LAWN. I think the strategy certainly is in place. I think that the five parts of the strategy are absolutely critical. I do not think that law enforcement alone will solve the problem. So with the strategy we have and the fact that now we have a coordinated effort of the 14 federal agencies, for example, who are involved in narcotics law enforcement—we now have the Attorney General sitting as the drug czar, if you will, who is coordinating the efforts of all the agencies involved.

I do not believe, however, that there is a short-term solution. I think that all five components of the federal strategy are going to have to work over a period of years if we are to ultimately succeed in our fight against drug abuse and trafficking.

DRUG EDUCATION

Mr. DWYER. Do you think we should go as far as having mandatory courses in our schools on drugs?

Mr. LAWN. I am a strong proponent of drug education. I would like to see courses in our schools at young ages so our youngsters learn at a very early age about the harm and dangers of marijuana use, as the Chairman talked about, and use of all other substances.

Mr. DWYER. Thank you, Mr. Chairman.

EFFECTS OF THE GRAMM-RUDMAN-HOLLING REDUCTION

Mr. SMITH. Well, just to follow up on that, I remember when I went to school, we had an education program on why you should not drink coffee. We do not have that much education now on why you should not use drugs. That was early on in school too. Drink Postum. You cannot even find Postum on the shelves any more.

You have a $16,340,000 sequestration. You have not asked for a supplemental to offset that. How are you going to handle it? What has been reduced or did you have too much money?

Mr. LAWN. No, sir. Drug enforcement does not have too much money. We certainly understand the deficit that this country is facing. We, like every other agency, must do our part.

We have been very blessed in the past five years, however, that each year your Committee and other Committees have seen the nature of the problem, and have given us enhanced budgets.

So, in the short-term, we can certainly not expend moneys in the area of agent transfers, in the area of lab services, perhaps training for state and local authorities. We can sacrifice these things in the short-term and not have an impact on investigations or operations which are critical to us.

Mr. SMITH. Did you ask for a supplemental?

Mr. LAWN. No, sir, we have not.

Mr. SMITH. Well, some other agencies asked for supplementals, and the Administration has sent up supplementals for some other agencies to offset these reductions. Is your $16 million not that important?

Mr. LAWN. $16 million certainly is important to us. We are following very closely our expenditures of operational funds around the country. We do know that, in our offices both domestically and overseas, we are operating with fourth quarter funds. So we are concerned about expenditures.

Mr. SMITH. Will not having the $16 million reduce drug enforcement? What will be the result?

Mr. LAWN. Mr. Chairman, as I said, we hope it will not affect operations. We will try to see to it that our operational level continues at our planned level so that we can continue to attack——

Mr. SMITH. What will it affect?

Mr. LAWN. As I mentioned, it will affect our training, it will affect our ability to transfer agents.

Mr. SMITH. Does that not affect operations?

Mr. LAWN. It will affect operations long-term, yes, sir. We can postpone the transfer of an agent from a given part of the country to another part of the country——

Mr. SMITH. So you are just postponing the effect on operations?

Mr. LAWN. Ultimately, it will have a negative impact on our operations, that is correct.

Mr. SMITH. Do you anticipate furloughs?

Mr. LAWN. We do not at this time. We have looked at that.

REPROGRAMMING

Mr. SMITH. What about reprogramming?

Mr. LAWN. Yes, sir. We are putting together a package where we will have to reprogram the resources that we have.

Mr. SMITH. When will that be?

Mr. LAWN. As soon as we can get the reprogram——

Mr. SMITH. Have you completed within your agency the reprogramming?

Mr. LAWN. Yes, sir, we have.

Mr. SMITH. Is it over at OMB?

Mr. LAWN. I have been told that it is on its way to the Department of Justice.

DRUG TRAFFICKING THROUGH MEXICO

Mr. SMITH. You mentioned Mexico, and you are asking for 65 positions and $5.1 million to enhance investigative efforts concerning Mexican heroin. Is that an increasing problem?

Mr. LAWN. Yes, sir, it is.

Mr. SMITH. Do you see any end to it?

Mr. LAWN. Let me begin by saying I am an optimist. Years ago, Mexico was a substantial problem for the United States. Enforcement efforts in Mexico increased substantially in those years and—

Mr. SMITH. That was largely marijuana reduction.

Mr. LAWN. Marijuana and heroin, yes, sir. In the last few years, the problem has resurfaced. And, we are concerned about the issue. We have sent additional personnel to Mexico. We plan to send additional personnel to the border States.

But, it is a problem that is growing and it is a problem of great concern to us, not only in marijuana and in heroin, but in cocaine leaving source countries and transitting through Mexico before coming into the United States.

Mr. SMITH. Well, do you see any way to really get it under control or is it going to be just a continuing problem?

Mr. LAWN. We hope that we can get it under control as we have in the past. We have an eradication program. We are now working with our Mexican counterparts and have established a system wherein DEA personnel are traveling with their Mexican counterparts to locate and verify plots, and to verify the aerial eradication. We think this will have a tangible impact on the increased cultivation of marijuana and heroin in Mexico.

OFF-THE-SHELF PURCHASE OF PRESCRIPTION DRUGS IN MEXICO

Mr. SMITH. You can walk into a so-called drugstore down there, and the shelves are just lined with what we would call prescription drugs, but not down there. Anybody buys them, puts a bottle of pills in their pocket, and comes back across the border. How are you going to stop this traffic when that is possible?

Mr. LAWN. The diversity of illicit drugs is a major problem. Too few of us realize that were we not to have a cocaine, marijuana, and heroin problem, this country would still have a problem with licit drugs in the illicit market, or clandestinely manufactured drugs.

With our additional personnel in Mexico, with the level of cooperation we now seem to be getting in Mexico, with the increased resources we are going to be putting on the Mexican border—we

meaning the law enforcement community—we are hopeful that there will be a downturn in the substantial amount of illegal drugs coming into this country.

Mr. SMITH. Well, they are not illegal in Mexico. They buy them off the shelves down there. There are other kinds of drugs available. They put it together and get the same kind of high; do they not?

Mr. LAWN. Yes, sir. They are still illegal in this country. We can interdict those drugs as they come into the United States.

Mr. SMITH. There is not much interdiction, is there, of what we call prescription drugs? They could not have those big drug stores down there just over the border if they were interdicting very much of them?

Mr. LAWN. No. Certainly the big problem we have is marijuana and heroin. We have our suppliers of pills in the United States that adequately satiate our citizens.

Mr. SMITH. What I am saying is we have got citizens going across the border and giving enough business to establish big drug stores down there. It must be a lot of business or they would not have drug stores near the border. It continues, month after month. That has got to be a problem; is it not? It is not being addressed.

Mr. LAWN. It is being addressed. If we are talking about U.S. citizens, we certainly are then talking about organizations in the United States. And, that is part of what DEA does, and what I think DEA does well. And, that is to investigate major organizations in the trafficking of dangerous drugs as well as marijuana, heroin, and cocaine.

Mr. SMITH. I am not sure how much of this is major organizations and how much of it is just individuals. But an individual could bring in a lot of drugs in a couple of bottles, could they not, a lot of dollars worth?

Mr. LAWN. I assume he could, yes, sir.

Mr. SMITH. Somebody is doing it. And there is nothing to keep them from putting something else in some of those capsules than what it says on the box. Is anything being done about this really?

Mr. LAWN. Well, certainly that is not a problem of national consequence. That is a problem that certainly law enforcement is looking at, on the Federal, State, and local level. Is it a major priority? Certainly not a major priority with the Drug Enforcement Administration.

Mr. SMITH. It is really going to be difficult to shut off drugs through Mexico; is it not?

Mr. LAWN. It will be very difficult to shut off drugs into this country until all five parts of the federal strategy are working effectively.

Mr. SMITH. You have got to kill demand, in other words?

Mr. LAWN. Sir?

Mr. SMITH. You have got to kill demand?

Mr. LAWN. Yes, sir.

STATE AND LOCAL TRAINING REDUCTION

Mr. SMITH. You are proposing to not reimburse State and local governments, their enforcement officials, for part of the cost of training. Just the food and lodging part; is that all?

Mr. LAWN. Yes, sir. About $88,000.

Mr. SMITH. How many States will then not send their agents as a result of that?

Mr. LAWN. Mr. Chairman, I am sorry, I do not know that figure. I do know that this is not unique to DEA. This generally is the established procedure supported by the Administration. We anticipate that we will continue to do our training. And, we just do not have any tangible information to know what kind of a negative impact that will have on our States.

Mr. SMITH. Well, it will make a difference too as to which States choose then not to send their agents. Those could be the ones who need the training the most.

Mr. LAWN. At the same time, we do have training officers in our field divisions throughout the country, and we do conduct training on site. All of the training conducted by DEA is not conducted at our training center. We do conduct substantial training on site in locations around the country. That certainly will continue. And that is at no cost to the user in those locations.

STATE AND LOCAL TASK FORCES

Mr. SMITH. Now, we put some additional money into a supplemental for State and Local Task Forces. How are those additional funds being allocated and used?

Mr. LAWN. The State and Local Task Force program is moving along very effectively. We have increased our State and local task forces. We now have 34 of these task forces around the country.

It has been an effective program. The conviction rate of those task forces has been as high as 87 percent in Federal Courts, and 76 percent in State courts. This has been a very effective program for drug law enforcement. It has eliminated competition between the Federal Government and the State governments.

It has enhanced cooperation and enhanced State and local morale too. It has coordinated the gathering of intelligence. And I guess as a benefit for DEA, it has given us a reservoir of potential applicants because many of the officers who work on our State and local task forces at some point apply for employment as special agents of the Drug Enforcement Administration.

Mr. SMITH. It helps to reduce demand too?

Mr. LAWN. Yes, sir, it does.

Mr. SMITH. Do we not get more than a dollar's worth out of a dollar from this program as compared to other things?

Mr. LAWN. We think it is a very good program. I believe last year the State and Local Task Force program seized assets, about 67 percent of what the funding level was. So they are almost self-supporting.

Mr. SMITH. Well, you would not necessarily know the number, but some kind of description of the extent to which State and local governments would be willing to participate in this kind of a pro-

gram are available. Are there a lot of them left that would like to participate in this kind of a program?

Mr. LAWN. Yes, sir. We have perhaps 16 additional requests for State and local task forces that we are not financing at this time. We are hopeful that in our asset sharing program that we will then be able to take some of the assets seized from traffickers to support some of these efforts.

Mr. SMITH. Do you have an average cost for participating in the program or does it vary?

Mr. LAWN. They do vary, sir. But we can give you a breakdown of the task forces which we currently have if that would be helpful.

Mr. SMITH. Sixteen, you are talking about?

Mr. LAWN. 34.

Mr. SMITH. Would you also give us information on the 16 that have applied?

Mr. LAWN. Yes, sir, I will.

[The following information was submitted:]

Drug Enforcement Administration
State and Local Task Force Program
Estimated Cost per Task Force 1986
($000)

Location	Total Amount
Atlanta Division	
Savannah, GA	$230
Wilmington, NC	141
Boston Division	
Burlington, VT	181
Portland, ME	281
Chicago Division	
Chicago, IL	1,125
Minneapolis, MN	349
Dallas Division	
Ft. Worth, TX	641
Lubbock, TX	469
Denver Division	
Denver, CO	430
Detroit Division	
Detroit, MI	807
Cincinnati, OH	234
Cleveland, OH	181
Louisville, KY	187
Houston Division	
San Antonio, TX	582
Los Angeles Division	
Guam	269
Honolulu, HI	294
Reno, NV	163
Miami Division	
Orlando, FL	819
San Juan, PR	547
Newark Division	
Newark, NJ	$350
New Orleans Division	
New Orleans, LA	426
New York Division	
Buffalo, NY	267
Long Island, NY	430
New York, NY	3,974
Philadelphia Division	
Philadelphia, PA	562
Phoenix Division	
Phoenix, AZ	351
Tucson, AZ	377
San Diego Division	
San Diego, CA	1,550
San Francisco Division	
Sacramento, CA	268
San Jose, CA	639
Seattle Division	
Seattle, WA	341
St. Louis Division	
St. Louis, MO	444
Wichita, KS	368
Washington Division	
Baltimore, MD	670
Charleston, WV	139
Washington, DC	774
Total	$19,860

These costs distributed by Task Force represent the allocation within the State and Local Task Force Program in the DEA budget structure. No attempt has been made to distribute costs which may be accumulated in other budget programs but benefit the Task Forces.

Request for State and Local
Task Forces

Atlanta Division
Atlanta Airport, GA
Columbia, SC
Greensboro, NC

Boston Division
Boston, MA
Cape Cod, MA

Dallas Division
Oklahoma City, OK
Tyler, TX

Houston Division
Laredo, TX

Los Angeles Division
Los Angeles Airport, CA

Miami Division
Naples, FL
Tampa, FL

New Orleans Division
Little Rock, AR
Mobile, AL

San Francisco Division
San Francisco, CA

Seattle Division
Eugene, OR
Yakima, WA

INTELLIGENCE PROGRAM

Mr. SMITH. You are asking for 19 positions and $740,000 for intelligence specialists. Expand on that.

Mr. LAWN. The requirement for an active enforcement program dictates that we must have a solid basis in intelligence. We are expanding our El Paso Intelligence Center. We are expanding our intelligence gathering throughout the country.

In this expansion, we have a signed memorandum of understanding with the NSA, and the CIA. We have an ever increasing reservoir of intelligence which can assist drug law enforcement. We need the personnel now to enable us to screen that material thoroughly and put it into the enforcement equation.

Mr. SMITH. Now, is there some overlap here between—are you getting enough information or enough cooperation between this and the Organized Crime Drug Enforcement Task Forces?

Mr. LAWN. Yes, sir. Because our personnel predominate in the Organized Crime Drug Enforcement Task Forces. We will also be using some of the intelligence resources to supplement the Organized Crime Drug Enforcement Task Forces.

Mr. SMITH. Is there full cooperation and exchange of information back and forth?

Mr. LAWN. Yes, sir. As I say, about 70 percent, almost 80 percent, of the cases being worked are in fact cases introduced to the program——

ORGANIZED TASK FORCES

Mr. SMITH. Are you talking about the drug task forces or organized crime task forces efforts that they have within the Department of Justice?

Mr. LAWN. I am talking about the one Organized Crime Drug Enforcement Task Force program.

Mr. SMITH. What about the other organized crime task force efforts within the program?

Mr. LAWN. Certainly we have investigations that we work with the FBI in organized crime efforts. There is total information sharing there. We have our machinery at FBI headquarters. Very soon the computer from DEA will be located at FBI headquarters. So, there is a total sharing of that kind of information for those investigations.

ADP TELECOMMUNICATIONS

Mr. SMITH. You have a large request for telecommunications and equipment of various kinds.

Mr. LAWN. Yes, sir. The telecommunications network of which you speak is our critical need for the security situations, TEMPEST-rated machinery.

Mr. SMITH. That is not related then to exchange of information with other law enforcement agencies?

Mr. LAWN. No, sir. That is related to our own system and our ability to transmit information through our system, which we hope is not compromised.

Mr. SMITH. Where are you on this? How far along are you and when will it be completed?

Mr. LAWN. Mr. Chairman, let me find that out.

Mr. SMITH. You can have him testify. Give your name.

Mr. HOGAN. James Hogan. Mr. Chairman, this is the first of several requests we are going to have for both the TEMPEST efforts and computers for the Drug Enforcement Administration's enforcement system. We have a plan now that we are looking to work with the FBI to locate two computers in the FBI Secure Center. When that is accomplished, telecommunications lines and all the equipment that are going into that system will also be TEMPEST-tested. The entire project at one point was estimated to cost just short of $20 million. As time goes on, it may exceed that slightly. This year's request is for nine positions and $8.9 million of that total cost.

Mr. SMITH. Is this the first request on this? I cannot remember.

Mr. HOGAN. Yes, it is the first request that has come to the Congress.

Mr. SMITH. How many more years would it take to complete it?

Mr. HOGAN. It depends. It could be done over a two- or three-year period, depending on how quickly we can accomplish getting the computer site ready and how quickly the contractors can deliver the TEMPEST-tested equipment that we need.

Mr. SMITH. Tell us all the advantages of it.

Mr. LAWN. The equipment that we are purchasing is encrypted, these are encrypted machines and security containers for the information that is part of the system, a secure teletype system that hopefully is not compromised, and leases required for the computer and then the lease for the actual location of the computer in FBI Headquarters.

Mr. SMITH. Is this off-the-shelf?

Mr. LAWN. It is off-the-shelf equipment from NSA, yes, sir, NSA-approved equipment.

Mr. SMITH. Does more than one company make it?

Mr. HOGAN. Yes. They go through the regular request for proposal process.

Mr. SMITH. I see. By the time the three years is up, will the Japanese have something to make it obsolete?

Mr. LAWN. Every piece of equipment has a life cycle. Perhaps three years may not be long enough.

Mr. SMITH. Really seriously, you do not think it will be obsolete soon?

Mr. LAWN. No, sir, we do not. And we believe it to be absolutely critical to our enforcement effort.

IMPACT OF DOLLAR DEVALUATION ON OVERSEAS PROGRAM

Mr. SMITH. Now, we have quite a change in the value of the dollar. How many agents do you have overseas, how many personnel?

Mr. LAWN. We have about 200 agents overseas, 300 personnel overseas now.

Mr. SMITH. How much are you seeing that change?

Mr. LAWN. As I mentioned, we are seeing in some of the countries changes in the value of the dollar that are forcing our personnel overseas to expend in the fourth quarter of their operating plan. We believe that we have the money necessary to divert resources to them so we will not have to shut down any operations overseas because of the devaluation problem.

Mr. SMITH. In terms of your total budget, it is not a major matter?

Mr. LAWN. No, sir, it is not. Only about 10 percent of our agent work force works overseas.

DIVERSION GRANT FUNDING

Mr. SMITH. Now, last year we added $2.7 million above the budget request for assistance to state and local governments. Have you allocated any of these resources?

Mr. LAWN. No, sir. That $2.7 million has not been used for the state and assistance grant force program.

Mr. SMITH. Why not?

Mr. LAWN. A decision by the Administration that the state and local diversion investigators should be supporting their own programs.

Mr. SMITH. Well, you are not proposing to use that in 1987 either, it is not in your budget for 1987 either?

Mr. LAWN. That is correct, yes, sir.

Mr. SMITH. Are you proposing a recission or deferral?

Mr. LAWN. This is Mr. Westrate. He is the Chief of our operations division.

Mr. WESTRATE. We have done some things in furtherance of our cooperative efforts with State and local officers. For example, we are holding national conferences to assure that we have a common base of intelligence and that we are cooperating and coordinating effectively in that program in a number of different ways. So while the grant program has not been implemented, many different things have been done to assure——

Mr. SMITH. Out of this money.

Mr. WESTRATE. No, sir, out of DEA regular activities. And we do coordinate on a State-by-State basis with our investigators and various medical boards that control these investigations at the State and local level.

Mr. SMITH. We just talked awhile ago about getting a lot for your money from these State and local governments. And they are willing to put their resources up. How is this consistent with having increased drug enforcement?

Mr. WESTRATE. The $2.7 million was a grant program. The State and Local Task Force program that Mr. Lawn has been discussing is a cooperative work situation, common space, DEA supervision, and DEA control of priorities. So it is a totally different thing from having that kind of——

COMPARISON OF DIVERSION CONTROL GRANTS WITH TASK FORCE EFFORTS

Mr. SMITH. They would still have resources involved? You would not pay 100 percent of their costs?

Mr. WESTRATE. No.

Mr. SMITH. Then you are getting more from a dollar than the dollar spent?

Mr. WESTRATE. In a grant situation, we do not have much control as to what happens with the funding. You do not supervise the investigative activities.

Mr. SMITH. Is it a turf problem? Is it just a matter of who gets to control it or is it a matter of accomplishing an objective?

Mr. WESTRATE. I do not believe that really entered into the decision at all. As I understand it, there was a general reluctance to be in the grant giving business where money would be just sent out for these programs. The cooperative task force arrangements are different.

In fact, we do joint investigations with State and local investigators in the diversion area on a continuing basis. We provide a tremendous amount of training. We coordinate on a daily basis with these other agencies.

Mr. SMITH. This was under a legislative authorization outlining guidelines, and surely it was intended to provide some assurance that we are getting our money's worth out of the program.

Mr. LAWN. Yes, sir.

Mr. SMITH. You did not oppose that?

Mr. LAWN. No, sir, we did not. We had worked very closely with our State and local diversion counterparts. And we will continue to work with them even though the decision has been made that we will not be involved in the grant program.

EXPECTED USE OF DIVERSION GRANT FUNDS

Mr. SMITH. What are you going to do then? Are you going to propose a recission or deferral or just let the money sit there?

Mr. LAWN. The hope, sir, is that the money can be reprogrammed.

Mr. SMITH. Reprogrammed?

Mr. LAWN. Yes, sir.

Mr. SMITH. To what program?

Mr. LAWN. To an enforcement program.

Mr. SMITH. So that is another way you are going to try to make up for this Gramm-Rudman reduction?

Mr. LAWN. Yes, sir, that is right.

Mr. SMITH. But you are not proposing supplemental as an alternative?

Mr. LAWN. No, sir, we are not.

Mr. SMITH. Mr. Dwyer.

ORGANIZED CRIME AND DRUG TRAFFICKING

Mr. DWYER. I would just like to make a comment. It is easy for some departments to make up their Gramm-Rudman sequestration. In other departments, they just have to furlough people.

But you talked about the organized crime before. How much drug distribution is controlled by organized crime? I would mention, if I might just add to that, there was a report that came out of the Organized Crime Commission about nine or ten families, I guess mafia families, and so on.

Mr. LAWN. These are the Colombian families.

Mr. DWYER. How much of the drug traffic is operated by these large organized crime groups?

Mr. LAWN. The families to which the President's Commission on Organized Crime referred, control a substantial portion of the cocaine trafficking in the United States.

Mr. DWYER. Substantial? Very substantial? Substantial? 75 percent? I would understand that better. It would be more clear in my mind if you could give it to me roughly.

Mr. LAWN. I would say these nine families are responsible for most of the cocaine that enters the United States for distribution. I would have to guesstimate to give you a figure. But I would say most meaning in excess of 75 percent of the cocaine trafficking in the United States.

Mr. DWYER. I am not trying to put someone on the spot. This is just an overwhelming, frustrating problem that is costing $1.4 billion every year. And being faced with all of the cuts that are going to have to be borne by the older people in this country and the educational programs, the frustrations are just overwhelming. That is why I asked the question.

Mr. LAWN. If I could comment just on that.

Mr. DWYER. Sure.

Mr. LAWN. Certainly the frustrations of drug law enforcement are no less than the frustrations of the Congress. In 1974, the Drug Enforcement Administration had an agent complement of 2,200 agents. In 1984, the Drug Enforcement Administration had a complement of 2,200 agents. The problem continued to escalate, and the support for drug law enforcement did not continue to escalate.

Now, in the past five years we have seen our budget increase year after year until the current time when we are asking for $411 million. Drug law enforcement is only a very small part of this $1 billion that is being used in the drug effort.

We think the money that we have been given by Congress has been well spent. We think that the statistical accomplishments, which is one part of drug law enforcement, show that we have been very efficient and very effective in using the support that we have received in our budgets.

Mr. DWYER. That is a matter of opinion quite honestly.

Mr. LAWN. Yes, it is.

Mr. DWYER. Because the cocaine use in still growing. And heroin use and marijuana use is down. One balances the other. And it is still a terrible drain on society.

Mr. LAWN. Yes, sir.

OTHER DISTRIBUTORS OF NARCOTICS

Mr. DWYER. Which is the reason for dialogue going back and forth. If 75 percent is controlled by organized crime, does that mean the other 25 percent are amateurs, one-time smugglers, or whatever you might have?

Mr. LAWN. We certainly have received information that certain individuals will attempt to, let us say, fly a private aircraft to a source country to bring cocaine back into the country. We also

have the distribution networks. When the cocaine enters the United States, it may go to another group, a smaller group.

So, of the cocaine entering the country, predominant amounts of the cocaine goes through major families. Then as it filters down into the streets, there are smaller groups involved in that distribution.

Mr. DWYER. Do you ever pick up users?

Mr. LAWN. We have arrested the users as a law enforcement tool in order to use the user as a defendant witness.

Mr. DWYER. Or to identify his source?

Mr. LAWN. Yes, sir.

Mr. DWYER. And you go pick that source up at some point?

Mr. LAWN. Yes, sir. That is the standard enforcement procedure.

DESIGNER DRUGS-CONTROLLED SUBSTANCE ANALOG

Mr. DWYER. How about the designer drugs, what is happening there?

Mr. LAWN. The so-called designer drug phenomenon began in California about 18 months ago. It created an initial stir in 1984 with the passage of the Comprehensive Crime Bill. The Drug Enforcement Administration was given emergency scheduling authority so that when a so-called analog of the controlled substance, so-called designer drug, appears on the streets and either is creating a hazard, or potential hazard it can be emergency scheduled.

We have taken such action on five separate occasions. At the same time, we have worked with the Department of Justice in putting together a bill, a designer drug bill, which is currently being reviewed by the House and Senate. This bill will fill the void that has been created because there was no law which would have prohibited a chemist from making a so-called designer drug.

Mr. DWYER. So what you are doing now, you have to get it on your list before he is in violation of the law.

Mr. LAWN. That is correct.

Mr. DWYER. What you are in effect saying is we are going to have legislation come over which will put him under the gun right from the beginning.

Mr. LAWN. Yes, sir. When someone will attempt to create an analog of a controlled substance for the purpose of distribution, he then will be subject to the law.

Mr. DWYER. Has that been indigenous just to California?

Mr. LAWN. Primarily in California. There have been 800 deaths associated with designer drugs in California. We have seen these analogs in other States, Florida and New York and other States, in Texas as well, but not in the same quantities that they appear in California.

Mr. DWYER. There have been 800 deaths associated with the drugs?

Mr. LAWN. I am sorry, 800 emergency room admissions associated and 100 deaths.

Mr. DWYER. It would seem to me that that is the kind of publicity that should be resounded from coast to coast in this country.

Mr. LAWN. We have had Congressional hearings around the country on the designer drug phenomena.

Mr. DWYER. Thank you, Mr. Chairman.

DRUG ABUSE AND GENERAL CRIMES

Mr. SMITH. I notice in the newspaper about once a week they have a list of crimes committed. In northwest Washington it takes a half a page of fine print. I look at that, and the number of crimes that relate, to getting relatively small amounts of money—grabbing purses, hitting people over the head and taking their pocketbook—is a big share. Do you think that those crimes are drug related?

Mr. LAWN. Certainly, I would say that crimes of that sort are typical of an individual who is trying to acquire money to purchase drugs, yes, sir.

Mr. SMITH. Is the number of these kinds of crime increasing, or do you know?

Mr. LAWN. I am sorry, I do not know. What I do know in relation to Washington D.C., is that the Metropolitan Police Department had indicated within certainly this calendar year that in the testing of individuals who had been arrested for other crimes, a substantial number of those individuals tested positive for drugs, I think over 50 percent.

Mr. SMITH. It has gotten so it seems like it is almost an attraction to go into a neighborhood, not where these people live, but to go into another neighborhood where they think anybody they might find on the street has a pocketbook which might have enough money in it to get a fix.

It makes it almost more dangerous to live in a neighborhood where you do not have very many individuals from the neighborhood committing crime. I just wonder how many people really realize that everybody has got a stake in this drug problem.

Mr. LAWN. Yes, sir. My mother has been mugged four times and had her arm broken once by a mugger. So we know very personally about the impact.

Mr. DWYER. Time to move.

Mr. SMITH. Well, we have some more questions, but we will submit them for the record. Thank you.

Mr. LAWN. Thank you very much.

[The questions submitted for the record and the answers thereto follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

DRUG ENFORCEMENT ADMINISTRATION

FY 1985 Drug Enforcement Initiative

QUESTION:

In the FY 1985 Supplemental Appropriation Act, DEA received substantial additional resources for a Federal drug initiative. How were these additional resources allocated among the various DEA programs, and who in the Department of Justice, i.e., DEA, the FBI, or the Deputy Attorney General's Office determined where these additional resources would be used? (Please supply a list of the allocation of these resources for the record.)

ANSWER:

Resources for the Drug Enforcement Administration were allocated as follows:

	Positions	Amount ($000)
Organized Crime Drug Enforcement	234	$3,357
Equipment Enhancements - Technical/Investigative ($1.2 million) - Helicopter for Hawaii ($1.2 million) - Laboratory Equipment ($1.5 million) - Overseas Communications ($1.2 million)	...	5,143
State and Local Task Forces	9	1,000
Domestic Cannabis Eradication	...	1,300
Security/Joint U.S.--Mexican Task Forces	77	6,500
Diversion Control	156	2,700
Total	476	20,000*

*For 1985 only. The 1986 annualized cost for the supplemental is $43,651,000. In addition, $9,254,055 were carried forward into 1986 on a one-time basis.

This allocation of resources is based almost entirely on documented security and ongoing investigative requirements identified by DEA during the 1985 and 1986 budget cycles. The physical allocation of the additional resources are done by an internal DEA staffing review, which is approved by the Administrator of DEA.

Increase to Combat Mexican Heroin Problem

QUESTION:

This budget request does not include any increase for Foreign Cooperative Investigations. Since, as the justification states, "the

lack of Mexico's ability to cope with its heroin problem points to the fact that Mexico will be an ever increasing source of heroin to the cities of the United States", shouldn't DEA be placing more agents in Mexico to get at the source of the problem rather than just increasing investigative resources in the United States?

ANSWER:

Increasing the investigative resources in Mexico is but one part of the overall strategy to deal with the movement of illicit narcotics from Mexico into the United States. Because of the inherent corruption factor so predominant in Mexico, this requested domestic increase is a necessary complement to resources and activities in Mexico.

Moreover, DEA has increased its agent manpower serving in Mexico. Eleven new positions were recently established there.

Mexico has been in the past, and continues to be, a priority in the area of narcotics law enforcement for the United States. In as much as the United States shares a 1,500-mile common border with Mexico, it is necessary to provide the investigative resources in this area as well as in major U.S. cities where large narcotics trafficking conglomerates operate.

QUESTION:

How extensive is this pipeline--will you concentrate these additional resources along the Mexican border, or will it be necessary to allocate them to other areas of the country?

ANSWER:

The allocation of increased resources will be mandated by the current narcotics trafficking situation in the United States.

A substantial portion of the increased resources will, in all likelihood, be along the Mexican border areas. Data developed in 1985 clearly demonstrate an increase in trafficking activity along the Mexican border. There has been an increase in narcotics seizures along the border.

Some resource will be allocated to areas other than the Mexican border. Many U.S.-based trafficking organizations are located in major domestic cities and have close ties with trafficking cartels in Mexico. It is necessary, therefore, to have sufficient resources directed at these domestic organizations.

Expansion of Cocaine Special Enforcement Operations

QUESTION:

Also on page 19 of the justification, you are requesting an additional 19 positions and $1.4 million to expand several special enforcement operations aimed at reducing the current Colombian cocaine problem. How extensive is this problem, and do you expect it to continue to increase in future years?

ANSWER:

Colombian Nationals continue to dominate international cocaine traffic. They probably account for 75 to 80 percent of the production and wholesale distribution. As positive steps have been taken by the Government of Colombia, these traffickers have begun moving their operations into other South and Central American countries. Given the amount of known illicit coca cultivation, it is unlikely that the level of traffic will abate in the foreseeable future.

QUESTION:

There have been reports recently that DEA has had some success in disrupting the supply of certain chemicals essential to the conversion of cocoa paste to cocaine. How successful has this effort been, and if you have been able to disrupt the supply of these chemicals, why are additional resources needed?

ANSWER:

DEA has been very successful in limiting the supply of ether to the cocaine lab operators. Ether is the lab operators' favorite solvent for converting cocaine base into hydrochloride. The results of this success, however, have caused the lab operators to turn to other organic solvents such as acetone, benzene and methyl ethyl ketone to meet their needs. Now that more chemicals are being used as substitutes by the laboratory operators, the task of tracking down the additional drugs has caused an increased workload requiring additional resources.

Expansion of Resources to Locate Clandestine Laboratories

QUESTION:

Also on page 20 of the justification, you are requesting 28 additional positions and $2.1 million to enhance your program to locate and seize clandestine dangerous drug manufacturing laboratories. You state that this program is accomplished in close coordination with the "current precursor liaison program" that DEA has with the legitimate chemical industry. Please describe the details of this program, and how many clandestine laboratories have been located and seized during the last year.

ANSWER:

In response to the growing number of clandestine laboratory seizures, the Drug Enforcement Administration initiated a program to limit these laboratories. The curtailment of the availability of precursor chemicals is critical to this effort.

Accordingly, Operation ORIGINATION was formulated. Essentially, this involved selecting four of the significantly abused drugs, identifying the manufacturers, distributors, and retailers of the precursors of the manufacturer of these drugs, and enjoining their cooperation to preclude the sale of these precursors to unauthorized persons.

The drugs that were selected are widely abused and generally the precursors have little legitimate use in industry. Thus, the curtailment of these sales would not severely impact or restrict commerce.

The drugs selected are:

CSA Substance	Precursor	Legitimate Use of Precursor
LSD	Ergotamine Tartrate	Vascular Constriction Agent
PCP	Piperidine	Curing agent for rubber
Methaqualone	Acetylantranilic Acid	Chemical stabilizing agent
Methamphetamine	Phenylacetic Acid	Penicillin and fragrances

Extensive liaison has been completed and total cooperation has been obtained. It is to be noted that, to date, 15 clandestine laboratories have been seized that were manufacturing their own precursors. This new trend is an indication of the program's effectiveness.

Attendant to this effort has been the surfacing of a number of major retailers who sell chemicals indiscriminatly. These firms "hedge the line" i.e., sell those precursors that can be utilized for legitimate means. The most blatant of these have been selected for intensive investigation. A major investigation against one of these was recently culminated and is now in trial in the District of Nevada at Reno. A successful prosecution is anticipated. This will be a landmark decision and will be utilized to intensify, specialized enforcement efforts at these persistent violators' operations.

In 1985, 418 clandestine laboratories were seized by DEA, of which 29 were cocaine processing operations. In 1984, 291 labs were seized (24 of which were cocaine).

State and Local Task Forces

QUESTION:

On page 42 of the justification, your program measures indicate an increase in the workload for State and Local Task Forces for FY 1987, yet you are not requesting any additional resources. How are these increases in the projected workload going to be handled?

ANSWER:

The workload increase for 1987 represents activities related to full-year availability of positions authorized late in 1985 and hired fully in 1986.

Increase for Intelligence

QUESTION:

You are requesting an increase of 19 positions and $740,000 for intelligence specialists to enable DEA to more effectively target drug trafficking organizations. Are these additional resources needed to cope with an increasing workload generally, or are there some specific organizations which are causing the increase?

ANSWER:

In 1985 and 1986, the Intelligence program expanded its foreign intelligence collection efforts through increased overseas staffing and tasking of the intelligence community. This has resulted in an increase in the amount of foreign drug intelligence received by this agency. In addition, intelligence reporting, received as a byproduct of ongoing investigations, particularly financial and OCDE investigations, has increased greatly. Our current staffing does not permit us to analyze fully the information received as a result of these initiatives. The additional positions are critical to our objective of providing timely strategic, tactical/operational financial intelligence in order to: (1) provide in-depth reporting to DEA management and U.S. Government officials on drug cultivation, production, and smuggling worldwide, and (2) support major drug and OCDE investigations by identifying leads, structuring major organizations ultimately leading to conspiracy indictments and tracing drug traffickers' assets for removal under U.S. assets seizure/forfeiture legislation.

QUESTION:

The justification states that many of the investigations that you hope to conduct with these additional resources will fall within the purview of the Organized Crime Drug Enforcement Task Forces. However, the budget request does not include any additional resources for those task forces. If your intelligence specialists are going to be generating more cases for the Task Forces, won't they need additional resources?

ANSWER:

DEA has recently applied 234 additional special agent positions, authorized in the 1985 drug initiative supplemental to the OCDE program. These positions should be sufficient to respond to the additional cases.

Increase for Laboratory Services

QUESTION:

On page 56 of the justification, you are requesting an increase of seven positions and $723,000 for the DEA laboratories to meet increased workload from investigative activity of the Organized Crime Drug Enforcement Task Forces. How extensive is this increase in workload, what is the workload standard for your laboratories, and how much overtime have you had to use in your laboratories?

ANSWER:

The requested positions and funding are required to handle a greater than fourfold increase in evidence analyzed in support of the OCDE Task Forces since 1983, with no increase in chemist personnel specifically for this program. This is shown by the following table:

Fiscal Year	Exhibits Examined
1983	835
1984	2,724
1985	3,321
1986	3,691 (Projected)

Due to the varied nature of evidence submissions to the DEA laboratories, there is no workload standard; however, relative workload is routinely calculated based on the types of exhibits received. For example, a DEA-OCDE Task Force exhibit of heroin on the average required 3.4 hours, whereas a marijuana exhibit requires only 1.3 hours.

During 1985, the DEA laboratories utilized 6,371 hours of overtime for support of various enforcement functions such as evidence analysis, court, field assistance, etc. Over 8,500 hours of overtime use is currently projected for 1986.

Organized Crime Drug Enforcement Task Forces

QUESTION:

How does DEA assure that good quality cases are directed to the Task Forces for development?

ANSWER:

DEA has assigned to each Task Force core-city a supervisory level agent as Coordinator. It is the responsibility of the DEA Coordinator to be cognizant of the cases in his Task Force area with potential as Task Force cases. Concurrently, DEA Special Agents in Charge (SAC) are responsible for bringing potential Task Force cases to the attention of the District Drug Enforcement Coordinator Group. This system has worked well.

QUESTION:

On page 23 of the justification, in citing the accomplishments for the program, you show the number of violators arrested. However, these statistics do not identify arrests by type of violator. Please provide for the record, statistics on task force arrests which show the number of major traffickers arrested and trafficking rings disrupted.

ANSWER:

DEA has two methods of tracking the quality of cases made, one is by class of violator arrested, the other is by the class of cases initiated. In 1985, the OCDE Task Force program produced the following arrest statistics:

Arrest by class of case:

Class I	1,981
Class II	58
Class III	19
Class IV	3
Total	2,061

Fully 98 percent of those arrested in the OCDE Task Force program were in the top I and II case class category.

Arrest by class of defendant:

Class I	605
Class II	213
Class III	831
Class IV	412
Total	2,061

Almost 40 percent of those arrested in the OCDE Task Force program were class I or II violators.

DEA does not have data on "trafficking rings disrupted." However, DEA targets trafficking rings by class, Class I being the most significant and Class IV the least significant. As is evident by the above data, the OCDE Task Force program is almost exclusively a Class I and II case operation and therefore comprised some of DEA's most significant enforcement activities.

Increase for Technical Operations

QUESTION:

On page 64 of the justification, you are requesting an increase of nine positions and $9,067,000 for technical field support and voice privacy equipment. Will this equipment be fully compatible with all other elements of the Department of Justice with which DEA must work?

ANSWER:

Within the Department of Justice, the FBI, DEA and the U.S. Marshals Service are working toward what is known as the Combined Radio Initiative. This initiative is intended to combine the radio communications needs of the three agencies into one compatible system. In the area of High Frequency/Single Side Band (HF/SSB) communications, DEA has authorized other Justice agencies to operate on its HF/SSB network. The satellite communications (SATCOM) system is intended to support DEA's overseas personnel, however, other Justice agencies can and do utilize this system at the EPIC facility. In the area of investigative equipment, many of DEA's devices are the same or similar to those used by the FBI or other Justice agencies. Investigative equipment requiring the radio frequency transmission of intelligence is set to DEA frequencies and, therefore, is not totally compatible with other Justice agencies. However, this equipment is used successfully in joint operations through the sharing of equipment.

QUESTION:

Have technical standards been established in order that the equipment meets the needs of all Justice Department agencies?

ANSWER:

The FBI, DEA and the U.S. Marshals Service are studing the requirements for one compatible radio system. DEA also provides HF/SSB support for other agencies. DEA OCDE Task Force personnel are now utilizing a radio system "hosted" by the FBI. We will continue to

work closely with other Justice agencies to ensure technical equipment compatability.

QUESTION:

Is the FY 1987 request for this item the full amount necessary to provide a voice privacy system for DEA, and if not, how much of the additional cost will be required in the outyears?

ANSWER:

No. The study of the Combined Radio Initiative is still underway. Therefore, it is not possible to give precise outyear costs. DEA's most recent estimate was $50 million.

QUESTION:

You are also requesting $500,000 for a satellite communications system and $500,000 for high frequency single side band radios. The justification states that the HF system to some extent may duplicate the support function of SATCOM since they both provide long-range communications between overseas offices and the United States. Why do you need duplicative systems?

ANSWER:

Although the HF and SATCOM systems do in some ways provide duplicative support in that they both provide overseas-to-United States communications, they also provide differing support in several important areas. Besides providing overseas-to-U.S. voice communications, the DEA HF/SSB network is the primary long-range link between DEA aircraft and ground personnel, U.S. Coast Guard cutters, and U.S. Customs Service operations, and between DEA overseas and host country personnel. SATCOM does not provide this vital support. However, SATCOM does provide reliable and expeditious fixed station and mobile/portable typewritten communications between overseas and the U.S. and vice versa. Because DEA's SATCOM devices are not normally susceptible to changing atmospheric conditions (as is HF/SSB) and are easy to operate and install, they have proven to be an extremely useful investigative aid and provide greater security for our Special Agents.

QUESTION:

With respect to the satellite communications system, why can't the State Department and its secure overseas communications systems provide for your needs?

ANSWER:

DEA's SATCOM system is not intended to replace the State Department's secure overseas telecommunications system. SATCOM provides DEA with advantages not provided by using a normal teletypewriter system. A major advantage is the speed of the system. A user of the SATCOM system types his message at the terminal and directly transmits his message, by satellite, to the receiving office. There are no delays relating to message preparation, delivery to State, message transmis-

sion and subsequent distribution by DEA. These delays can be critical to DEA during emergency situations, such as the abduction of a DEA agent in Mexico. Also, SATCOM devices can be configured into a mobile or portable mode, to enable DEA personnel to establish remote installations where no other method of communications exists.

QUESTION:

You are also requesting an increase of nine positions and $317,000 to enable DEA to assign a minimum of two technicians to the majority of the domestic divisions and to increase technical support of overseas offices. How extensive is the backlog in your technical support program?

ANSWER:

DEA has a current authorized agent strength of more than 2,400. To support these agents, DEA has 25 technicians assigned to its field offices. The technicians are responsible for supporting DEA's radio communications networks in addition to providing technical investigative assistance for DEA's enforcement operations. The lack of sufficient numbers of technical personnel combined with insufficient quantities of technical equipment has created a backlog in DEA's response to technical requests and the rejection of other requests. As examples, in one domestic office alone, DEA has 30 outstanding requests for the installation of dialed number recorders (pen registers). In another office, in a two month period, five requests for the electronic eavesdropping of hotel rooms were rejected and two requests for wiring of vehicles were rejected due to the lack of technical personnel.

As further examples of the overall shortage of technical personnel, DEA has one technician, stationed in Panama, to support all of Central and South America, and Mexico. DEA has no field technicians stationed in Europe or Asia. These regions are serviced by Headquarters only when personnel are available and when time delays are not critical to an investigation.

QUESTION:

You are also proposing an increase of $1,250,000 for the purchase of investigative equipment. Is this additional equipment needed for new agents or is it replacement equipment?

ANSWER:

The $1,250,000 for 1987 is not specifically intended for new agents. There are insufficient quantities of technical equipment to support DEA's existing number of Special Agents. The funds requested in 1987, will be used to increase DEA's inventory of urgently needed technical/agent protection devices such as covertly worn transmitters, video surveillence cameras, agent alert transmitters, Title III equipment, body-worn audio recorders, tracking equipment and night vision devices. This increase will provide an annual base of $1,374,000 for critical modern technical investigative devices.

QUESTION:

In view of our budget problems, would it be possible for DEA to defer the replacement of this equipment until 1988?

ANSWER:

To continue to defer the purchase of investigative equipment would place DEA further behind in its effort to provide adequate technical support for its Special Agents. Major drug traffickers are becoming increasingly more sophisticated in their efforts, often utilizing their own technical devices and other counter surveillance techniques. DEA must continue to improve its technical capabilities in order to ensure the success of investigations and the safety of its agent personnel.

Increase for ADP and Telecommunications

QUESTION:

On page 71 of the justification, you are requesting nine additional positions and $8,870,000 for "full encryption and TEMPESTING and secure voice systems." Why weren't DEA's telecommunications and teleprocessing systems provided with full encryption and TEMPESTING capabilities when they were initially purchased?

ANSWER:

When the current telecommunications and teleprocessing systems were originally installed, the need for security for the systems and the communications network was recognized and addressed with the use of passwords to protect access to the systems and Data Encryption Standard (DES) devices to protect the data communication lines. (DEA's Secure Teletype System was fully encrypted though these devices are now obselete.) The cost to provide national security protection for information systems that contained little or no national security information could not be justified at the time. As the use of intelligence information increased and the national security implications of the systems grew, the need for a TEMPEST system was studied and the need confirmed by a DOJ study team (with FBI/DEA participation) whose report was completed in August 1983. This is the initial procurement to respond to the requirements of that study.

The equipment which will be TEMPEST rated has not yet been acquired and is in the procurement process. The procurement contract has been structured to allow TEMPEST rating after the equipment has been installed.

QUESTION:

The justifications state that $4 million of this request is for leasing and maintenance of computer equipment to be installed in FBI facilities. If that is the case, why doesn't the FBI budget for that equipment?

ANSWER:

These funds are being requested for DEA dedicated computer equipment to be housed in the FBI facility. The FBI facility is being used because it meets rated security requirements.

QUESTION:

You are requesting two positions and $524,000 for the purchase of secure voice equipment. If granted, would this increase provide for a secure voice capability for all of DEA's offices? If not, what is the requirement remaining, and how much is the total cost?

ANSWER:

Yes, this request will satisfy DEA's need for secure voice equipment. This increase will provide for the acquisition and installation of secure voice devices, which will encrypt telephone voice communication and provide the means for DEA agents to communicate with each other without fear of being intercepted. Clandestine telephone monitoring can be accomplished without exposure and at very little risk to the intercepting organization.

QUESTION:

What was the purpose and the results of the FBI's test bed demonstration in Boston of computer systems for DEA?

ANSWER:

The purpose of the FBI's test bed in Boston was to determine if the Field Offices Information Management System (FOIMS) had application within DEA. Though the test has not yet been completed, preliminary indications are that FOIMS is not compatible with DEA organization structure and case management methods. DEA will continue to follow FOIMS development and will reassess its applicability to DEA periodically.

QUESTION:

Will DEA use the Field Offices Information Management System of the FBI to support administrative and case management activities, and if so, when and at what costs?

ANSWER:

At this time, the FOIMS is still undergoing testing. Preliminary indications are that DEA will not be using the system to support administrative and case management activities. However, DEA will continue to follow FOIMS development closely to determine its applicability within our field divisions. Should FOIMS prove to be beneficial to DEA, a gateway between DEA and FBI systems will be established to take advantage of the system.

Increase for Foreign Allowances and Administrative Support Overseas

QUESTION:

On page 89 of the justification, you are requesting an increase of $638,000 for foreign allowances for DEA employees and an increase of $340,000 for administrative support that is charged by the Department of State overseas. You state that the basis of these requests is a State Department estimate that these items will increase by 11.4 percent and 15 percent, respectively. What is the justification for this increase since the Department of State has told this Committee that inflation is expected to increase only five percent in its overseas operations?

ANSWER:

During the formulation of the budget request, we contacted the State Department to ask about increases in foreign allowance rates and were told that increases were computed on a city-by-city basis and that specific percentage increases relating to our organizations' localities were not available at the time. The cost for foreign support and administrative support in the specific locations where DEA will operate is expected to be 11.4 percent and 15 percent respectively.

Adjustment for Field Operations

QUESTION:

On page 90 of the justification, you are requesting an increase of $4,557,000 resulting from the increase of 500 agent positions between 1983 and 1986. You state that experience has shown that base resources are not sufficient to maintain an effective level of enforcement activity. This Committee and the Congress did not reduce your requests for these additional resources. Therefore, what is the reason for this shortfall -- did you underestimate your requirements?

ANSWER:

The budget increase for the new positions is satisfactory based on our estimate of the immediate needs.

What we have found is that our investigative costs are escalating because of the complexity of the investigations. Costs such as purchase of evidence and payments for information, costs of wiretap translations and seizures of clandestine laboratories now exceed our available funds.

In 1985, it was necessary to reprogram $4 million of our base equipment funding into field operations. In 1987, we estimate that the $4,557,000 will be required to offset the continuing investigative cost escalation. In the absence of this increase, our options will be to reprogram from urgently needed equipment again or to maintain less than optimum operational effectiveness.

QUESTIONS SUBMITTED BY CONGRESSMAN O'BRIEN

DRUG ENFORCEMENT ADMINISTRATION

Domestic Enforcement

QUESTION:

You are requesting 112 positions and $8.6 million for domestic enforcement. These additional resources will be devoted to investigations.

a) In which of these drugs, (cocaine, heroin, dangerous drugs) has there been the most dramatic increases in trafficking?

b) Have these drugs been the drugs of preference or do other factors such as availability and price play a role?

ANSWER:

Cocaine trafficking has clearly increased the most dramatically over all other drugs. While arrests and seizures are not always direct indicators of trafficking increases, they do reflect a disturbing and rising trend in cocaine trafficking. In 1985, cocaine arrests made by DEA were up by 20 percent and total cocaine arrests were up by 32 percent over the 1984 level. In 1985, 29 cocaine conversion laboratories were seized in the United States, the largest number of cocaine conversion laboratories ever seized in the United States.

The use of cocaine in the United States has clearly had the most visible impact on young affluent professionals, entertainers and athletic figures. The term "drug of preference" unfortunately denotes a social acceptance of the behavior of these individuals. The term conveys a positive choice made by a consumer in a licit market place.

Both the use and trafficking of cocaine are dependent not only on the availability and price of cocaine but on a social acceptance of its use. The attitude towards cocaine plays a role as equally important as the availability and the price of cocaine.

QUESTION:

Please provide for the record a complete list indicating major drug producing and supplying countries and the type of drugs and estimated quantities they are supplying to the U.S.

ANSWER:

The following information has been extracted from the latest National Intelligence Estimate (1984 NIE) prepared by the National Narcotics Intelligence Consumers Committee. The 1985 estimate is currently in preparation.

Marijuana - 1984

Country	Quantity Available for Use in U.S. (Metric Tons)
Colombia	4,100 - 7,500
Mexico	2,500 - 3,000
Jamaica	1,500 - 2,250
Belize	1,100
U.S.	1,700
Other	500

Hashish - 1984

Lebanon	350 - 400
Afghanistan	200 - 400
Pakistan	200
Morocco	60 - 225

Cocaine - 1984

Country	Maximum Cocaine HCL Capacity (Metric Tons)
Peru	100 - 140
Bolivia	84 - 126
Colombia	24 - 28
Ecuador	2
Brazil	Uncertain

Opium - 1984

Country	Production (Metric Tons)
Afghanistan	140 - 180
Iran	400 - 600
Pakistan	40 - 50
Mexico	21
Burma	740
Thailand	45
Laos	30

QUESTION:

Your budget reflects a program decrease of $88,000 for the costs of food and lodging related to DEA-provided training for state and local law enforcement officials.

a) Given the fact that graduates of DEA training programs render valuable assistance to DEA in their investigative efforts, is it not of benefit to the Federal Government to continue to provide the full food and lodging costs for the period covering training?

ANSWER:

The decision not to continue funding the cost of travel, food and lodging for state and local law enforcement officials will become an

established procedure supportive of Administration policy. Virtually all other cabinet agencies currently charge non-Federal trainees for these costs. DEA will continue to conduct training on site in our field divisions throughout the country, at no additional costs to state and local officials at those locations.

While this action may have some influence on participation at the FBI training site in Quantico, VA, we do not anticipate any significant decreases in state and local participation.

THURSDAY, MARCH 20, 1986.

UNITED STATES MARSHALS SERVICE

WITNESSES

STANLEY E. MORRIS, DIRECTOR

HOWARD SAFIR, ASSOCIATE DIRECTOR FOR OPERATIONS

GARY MEAD, ASSOCIATE DIRECTOR FOR ADMINISTRATION

JAMES A. SHEALEY, ASSISTANT DIRECTOR FOR FINANCIAL MANAGEMENT

W. LAWRENCE WALLACE, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

U.S. MARSHALS SERVICE

Mr. SMITH. We will next consider the fiscal year 1987 budget request for the items under the Marshals Service. There are three of them, Salaries and Expenses, Support of United States Prisoners, and the Assets Forfeiture Fund. For fiscal year 1987, the total is $269,939,000. This is an increase of $43,130,000 from the adjusted appropriation for 1986. We shall insert at this point in the record, the justification materials in support of these requests.

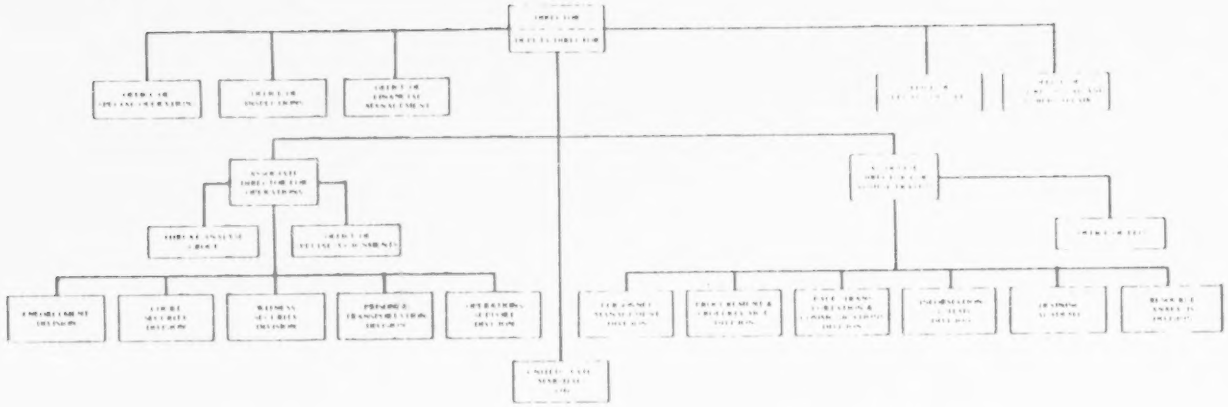
[The justifications follow:]

59-584 O—86——47

Department of Justice
United States Marshals Service
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	5
Justification of Proposed Changes to the Appropriation Language	6
Crosswalk of 1986 Changes	7
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance	10
Financial Analysis - Program Changes	41
Status of Congressionally Requested Studies, Reports, and Evaluations	42
Priority Rankings	43
Detail of Permanent Positions by Category	44
Summary of Adjustments to Base	45
Justification of Adjustments to Base	46
Summary of Requirements by Grade and Object Class	50

DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE
ORGANIZATION CHART



Approved: Edwin Meese III Date: 28 Jan 86
Attorney General

Legal Activities

Salaries and expenses, U.S. Marshals Service

Summary Statement

Fiscal Year 1987

The U.S. Marshals Service is requesting, for 1987, a total of $176,759,000, 2,724 permanent positions, and 2,794 workyears. This request represents an increase over the 1986 appropriation of $26,759,000, 100 positions, and 87 workyears.

The primary mission of the U.S. Marshals Service is responsibility for the protection of the federal judiciary, protection of witnesses, execution of warrants, and custody and transportation of unsentenced prisoners. It is the principal support force in the federal judicial system and an integral part of the federal law enforcement community. As such, the Marshals Service plays a crucial role in the Administration's efforts to combat crime. he major initiatives and resource requests are summarized below.

Witness Security

This program is responsible for the protection of endangered witnesses and their families and the provision of maintenance during the period of protection; assurance that endangered witnesses may provide their testimony against individuals being tried for organized criminal activities; and the assistance provided witnesses in becoming self-sustaining through relocation under a new identity.

No increased resources are requested.

Fugitive Investigations and Court Orders

Amid the great strides achieved in fugitive warrant arrests and Fugitive Investigations Strike Team (FIST) operations, this program continues to be understaffed and underfunded in a number of areas. The Administration's emphasis on debt collection is expected to have a substantial impact on government civil process workload requiring an increase of 30 positions and $840,000. The recent acts of cooperation by foreign governments are increasing the number and complexity of international extraditions carried out by the Marshals Service. Extraditions like those involving Colombian criminals are extremely dangerous, costly, and will require additional funding of $300,000. As a direct result of Organized Crime Drug Enforcement (OCDE) initiatives, an estimated 250 additional fugitive felons will be sought by the Marshals Service in 1987. To support the OCDE initiatives and associated workload increases, an additional 41 positions and $1,643,000 are requested. With the establishment of the Department of Justice Assets Forfeiture Fund, the requirement to appropriate funding for the U.S. Marshals Service for certain expenses related to the management and maintenance of seized assets is eliminated, thereby generating a program reduction of $2,850,000.

Judicial Security

For some time, law enforcement officers have been aware of the threat posed by motorcycle gangs, prison gangs, and traditional organized crime. Over the past decade, a dramatic increase has been observed in the sophistication with which these groups operate, notably in their employment of counterintelligence measures, including surveillance and identification of law enforcement officers, and the use of electronic countermeasures. In the past two years, an alarming increase in the activity of a new, but similarly dangerous, type of organization has occurred. Members of paramilitary extremist groups, including the Posse Comitatus and the Aryan Nation, have become the subject of increased federal enforcement and investigative efforts in response to their more overt criminal and violent activities.

Specific threats against the judicial branch continue to increase. For 1985, there was a 57 percent increase in documented threats over the same period in 1984. Intelligence analysis provides the capability of assessing the seriousness of each situation and proposing the proper response. An additional six positions and $167,000 are required to support a Marshals Service intelligence analysis capability. Also, as the number of OCDE indictments rises, substantial increase occurs in defendants brought to trial. For the increase in judicial security workload resulting from OCDE initiatives, the Marshals Service requests an additional 12 positions and $457,000.

ADP and Telecommunications

Upgrading of the radio communications network is critical at this time, not only for coordinated operations in the Department but also for the safety of the deputy U.S. marshal workforce. Therefore, a program increase of $1,600,000 is requested for the upgrading of radio communications.

Field Support and Training

The Marshals Service has assembled the most comprehensive and sophisticated training program to develop the best operational deputies possible. Specialized classes in officers survival and protective services help prepare the workforce for the complex and dangerous Marshals Service missions. No increased resources are requested for 1987.

Handling of Federal Prisoners

In 1986, the Marshals Service continues to have persistent problems with adequate jail space, complicated by passage of the Comprehensive Crime Control Act of 1984 and the event of prisoner detention hearings. The detention hearings that result from that Act are a new workload for the Marshals Service and are expected to require 32,000 additional prisoner productions in 1987. In addition to the personnel acquired in the 1985 supplemental, the Marshals Service proposes to handle the prisoner load problems through efficiency in the National Prisoner Transportation System. For 1987, operation of a Boeing 727 jet aircraft, acquired at no cost from the Federal Aviation Administration, will require $800,000 to maintain and operate. This initiative will increase the productivity and efficiency of Department of Justice agencies requiring the movement of prisoners and/or detainees. As a result of OCDE Task Force efforts, the Marshals Service will be required to perform an estimated 3,700 additional prisoner productions for judicial proceedings in 1987. To accomplish this increased workload, the Marshals Service requests 15 positions and $573,000.

Organized Crime Drug Enforcement

The Marshals Service coordinates fugitive felon investigations, witness relocation and protection, prisoner transportation, judicial security, and asset forfeiture in support of the Task Forces. Marshals Service personnel are also engaged actively in drug, financial, and other Task Force investigations. The effect of the Task Forces on the workload of district office support personnel, and increases requested to support this workload, are described in the Fugitive Investigations and Court Orders, Judicial Security, and Handling of Federal Prisoners programs.

Management and Administration

This program provides Executive Direction and Control and Administrative Services to the complex and diverse missions of the Marshals Service. No increase in resources is requested for 1987.

Protection of Witnesses

In order to implement Section 3524 of the Comprehensive Crime Control Act of 1984, which provides for child visitations between children who are participants in the Witness Security program and non-program parents, the Marshals Service requests $1,820,000 for witnesses' and their families' expenses. The Marshals Service also requests $800,000 for the establishment of two new safesite facilities in Chicago and Philadelphia. The improved security for protected witnesses and savings resulting from safesites already established in New York, Los Angeles, and Miami, have demonstrated that such facilities have both immediate and long-term benefits for the witness protection program.

Legal Activities

Salaries and expenses, U.S. Marshals Service

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 as Enacted			Funds Sequestered				
													4.3%	Reprogrammings			Rev.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Pos.	WY	Amt.	Amt.
1. Witness security	262	240	$19,420	45	33	$2,909	...	...	...	307	273	$22,329	-$960	...	...	...	$21,369
2. Fugitive investigations and court orders	684	760	41,694	...	...	-161	...	...	...	684	760	41,533	-1,786	...	...	...	39,747
3. Judicial security	378	385	21,878	...	...	-104	...	...	...	378	385	21,774	-936	...	...	...	20,838
4. ADP & telecommunications	...	...	...	...	...	...	8	8	$6,115	8	8	6,115	-263	...	...	...	5,852
5. Field Support and training	...	...	...	...	...	...	173	167	4,968	173	167	4,968	-214	...	...	...	4,754
6. Handling of Federal prisoners	945	984	45,285	...	...	-180	...	...	...	945	984	45,105	-1,940	...	...	...	43,165
7. Organized crime drug enforcement	13	13	704	...	...	-4	...	...	...	13	13	700	-30	...	...	...	670
8. Management and administration	297	292	18,629	...	...	-70	-181	-175	-11,083	116	117	7,476	-321	...	...	...	7,155
Total	2,579	2,674	147,610	45	33	2,190	...	...	...	2,624	2,707	150,000	-6,450	...	...	...	143,550

Legal Activities

Salaries and expenses, U.S. Marshals Service

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, United States Marshals Service

For necessary expenses of the United States Marshals Service; including acquisition, lease, maintenance, and operation of vehicles and aircraft, [$150,000,000]$_A$, of which not to exceed $1,350,000 may be made available for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites. $176,759,000

(18 U.S.C. 1963, 3053, 3059, 3192, 4008, 3521-3528; 19 U.S.C. 1613; 21 U.S.C. 881; 28 U.S.C. 510, 524, 561-562, 565, 567, 569-572, 1921; 31 U.S.C. 3324; 48 U.S.C. 1424(b), 1614(c), 1694(b)(3); Federal Rules of Civil Procedure 4; Federal Rules of Criminal Procedure 4, 9; Supplemental Admiralty Rules; Department of Justice Appropriation Act, 1986.)

Explanation of changes

The Protection of Witnesses program of the Fees and Expenses of Witnesses appropriation is proposed to be transferred to the U.S. Marshals Service appropriation in 1987. The above provisions are identical to those proposed for the USMS and the Protection of Witnesses program in 1986.

U.S. Marshals Service

Salaries and expenses

Crosswalk of 1986 Changes
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			Reprogrammings			1986 Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Witness security	262	240	$19,420	45	33	$2,909	...	...	...	307	273	$22,329
2. Fugitive investigations & court orders	684	760	41,694	...	...	-161	...	...	...	684	760	41,533
3. Judicial security	378	385	21,878	...	...	-104	...	...	...	378	385	21,774
4. ADP & telecommunications	...	...	...	...	...	...	8	8	$6,115	8	8	6,115
5. Field support and training	...	...	...	...	...	...	173	167	4,968	173	167	4,968
6. Handling of federal prisoners	945	984	45,285	...	...	-180	...	...	...	945	984	45,105
7. Organized crime drug enforcement	13	13	704	...	...	-4	...	...	...	13	13	700
8. Management & administration	297	292	18,629	...	...	-70	181	-175	-11,083	116	117	7,476
Total	2,579	2,674	147,610	45	33	2,390	...	...	...	2,624	2,707	150,000

Explanation of Changes from 1986 Appropriation Request

Congressional Appropriation Action

The Congress added resources to the Witness Security program to implement Section 3524 of the Comprehensive Crime Control Act of 1984. The Congress also approved a 20 percent decrease of the 5 percent pay reduction that had been originally proposed by the President but was restored by Amendment.

Reprogrammings

The ADP and Telecommunications, and Field Support and Training programs were established from a portion of the resources contained in the Management and Administration program. The Congress was notified on July 19, 1985 of this permanent reprogramming.

U.S. Marshals Service

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1986 as enacted	2,624	2,707	$150,000
Savings resulting from management initiatives	-6	-6	-150
Transfer from Fees and Expenses of Witnesses appropriation	...	...	14,891
Uncontrollable increases	...	12	6,055
Decreases (automatic non-policy)	...	...	-187
1987 base	2,618	2,713	170,609

Estimates by budget activity	1985 Actual			1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Marshals	2,579	2,359	139,708	2,624	2,707	150,000	2,618	2,713	170,609	2,724	2,794	176,759	106	81	6,150
Total.....	2,579	2,359	139,708	2,624	2,707	150,000	2.618	2,713	170,609	2,724	2,794	176,759	106	81	6,150

U.S. Marshals Service

Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1985 as Enacted			1985 Actual			1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security	262	240	$19,053	262	232	$19,020	307	273	$22,329	301	279	$23,530	301	279	$23,530	...	...	...
Fugitive investigations & court orders	684	659	38,537	684	637	38,471	684	760	41,533	684	760	42,992	757	816	42,925	73	56	-$67
Judicial security	378	357	20,810	378	345	20,774	378	385	21,774	378	385	22,540	396	399	23,164	18	14	624
ADP & telecommunications	...	...	...	...	...	...	8	8	6,115	8	8	6,335	8	8	7,935	...	...	1,600
Field support & training	...	...	...	...	...	...	173	167	4,968	173	167	5,156	173	167	5,156	...	...	...
Handling of federal prisoners	945	880	41,573	945	851	41,501	945	984	45,105	945	984	46,696	960	995	48,069	15	11	1,373
Organized crime drug enforcement	13	13	689	13	13	688	13	13	700	13	13	732	13	13	732	...	...	...
Management and administration	297	291	19,287	297	281	19,254	116	117	7,476	116	117	7,737	116	117	7,737	...	...	...
Protection of witnesses.a/	...	...	...	...	...	...	...	...	...	...	...	14,891	...	...	17,511	...	...	2,620
Total	2,579	2,440	139,949	2,579	2,359	139,708	2,624	2,707	150,000	2,618	2,713	170,609	2,724	2,794	177,759	106	81	6,150
Reimbursable Workyears		54			54			54			54			58			...	
Total workyears		2,494			2,413			2,761			2,767			2,848			81	
Other Workyears:																		
Holiday		8			4			4			8			8			...	
Overtime		323			494			323			323			323			...	
Total compensable workyears		2,821			2,911			3,088			3,094			3,175			81	

a/ The Protection of Witnesses program is proposed to be transferred to the U.S. Marshals Service appropriation in 1987.

U.S. Marshals Service

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: U.S. Marshals	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security	307	273	$22,329	301	279	$23,530	301	279	$23,530	...	...	...
Fugitive investigations and court orders	684	760	41,533	684	760	42,992	757	816	42,925	73	56	-$67
Judicial security	378	385	21,774	378	385	22,540	396	399	23,164	18	14	624
ADP & telecommunications	8	8	6,115	8	8	6,335	8	8	7,935	...	...	1,600
Field support and training	173	167	4,968	173	167	5,156	173	167	5,156	...	...	...
Handling of federal prisoners	945	984	45,105	945	984	46,696	960	995	48,069	15	11	1,373
Organized crime drug enforcement	13	13	700	13	13	732	13	13	732	...	...	...
Management and administration	116	117	7,476	116	117	7,737	116	117	7,737	...	...	...
Protection of witnesses a/	...	...	...	...	...	14,891	...	...	17,511	...	...	2,620
Total	2,624	2,707	150,000	2,618	2,713	170,609	2,724	2,794	176,759	106	81	6,150

This budget activity provides vital support to the Federal Government's administration of the justice system in the areas of operational support and protection of the federal judiciary including court security; execution of fugitive investigations and court orders; seizure, management and disposal of assets subject to judicial forfeiture; protection of key government witnesses; custody and transportation of unsentenced federal prisoners; liaison with the OCDE Task Forces; contracting with local detention facilities for the housing of unsentenced prisoners; and enforcing federal law under the direction of the Attorney General.

a/ The Protection of Witnesses program is proposed to be transferred to the U.S. Marshals Service appropriation beginning in 1987.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security.....	307	273	$22,329	301	279	$23,530	301	279	$23,530	...	...	...

Long-Range Goal: To administer protection and maintenance services for the Department of Justice's Witness Security program for witnesses and potential witnesses and their dependents whose lives are in jeopardy as a result of their testimony against organized crime.

Major Objectives:

To protect endangered witnesses and their families who have been approved for program services by the Department of Justice's Office of Enforcement Operations, Criminal Division.

To ensure that endangered witnesses may testify against individuals being tried for organized and other violent criminal activities without fear of retribution.

To assist the witnesses in becoming self-sustaining through relocation under a new identity.

Base Program Description: This program addresses the need for protective security for government witnesses testifying against any person alleged to have participated in an organized or related violent criminal activity. The Witness Security program encourages witnesses to testify against persons involved in organized crime by providing protection and maintenance for the witnesses and their families. Without such a program, potential witnesses would not likely come forth to testify because such an action would jeopardize the safety of the witness and family.

Authority is provided in Title 28, U.S. Code, Section 524, to use Department of Justice appropriations for the payment of compensation and expenses of witnesses and informants, all at the rates authorized or approved by the Attorney General or the Assistant Attorney General for Administration. Department of Justice OBD Order 2110.42, dated July 19, 1983, prescribes the procedure for establishing a person as a protected witness and places with the United States Marshals Service the responsibility for the security and maintenance of witnesses and their dependents. Enactment of the Comprehensive Crime Control Act of 1984 also commits program resources to provide physical security for secure child visitation between program children and non-program parents. Additionally, protected witnesses are required by the Act to pay court-ordered child support for children not relocated under the Witness Security program.

The Report of the Senate Judiciary Committee on Organized Crime Control reports that leaders of organized crime have been extremely successful in escaping punishment. Tampering with witnesses through intimidation was reported as the most effective method used by organized crime in obtaining acquittals or dismissals. The Witness Security program initiatives, which are supported by the President's Commission on Orgranized Crime, are vital in the effort to combat organized and related violent crime in the United States.

Accomplishments and Workload: The workload of the Witness Security program is presented in the following table:

Item	1984	1985	Estimates 1986	1987
Newly accepted witnesses	290	189	242	302
Witnesses funded/maintained	945	847	1,380	1,400
Average months witnesses are funded	13 to 17	13 to 17	13 to 17	13 to 17
Total witness workload	4,772	4,961	5,203**	5,505**
Total participant workload*	11,160	11,349	11,591	11,893

*Includes principal witnesses and family members
**This workload has been updated since preparation of the President's budget appendix.

High-level organized crime figures continue to seek the assistance of the Witness Security program. Leroy "Nicki" Barnes, a former narcotics kingpin, in U.S. v. Fisher, et. al., is expected to continue his testimony against his former cohorts, who control the largest drug organization in this country. This Harlem "company," known as "Murder Incorporated," was formerly run by Barnes and six other mobsters. Barnes' cooperation has led to the conviction of 14 major heroin importers who have ties to organized crime elements, and as many as 40 convictions are expected. Twenty-six others are awaiting trial on an array of felony charges. Other major investigations implicating such groups as the Black Liberation Army, the Weather Underground, the May 19 Communist Organization, the Winter Hill Gang, and the Republic of New Africa, have led to many new participants in the Witness Security program who have testified or will testify on acts of murder, terrorism and robbery. Adler Berriman Seal, a former pilot, is expected to continue his testimony against major narcotic kingpins. Seal will testify against Jorge Ochoa, allegedly one of the world's biggest cocaine smugglers. He is currently in a Spanish prison awaiting extradition to the United States. Seal will also testify against major cocaine smugglers who conspired to transport thousands of kilos of cocaine through Nicaragua to the United States. The Sandanista government had approved and cooperated in the scheme. In Puerto Rico, a series of police corruption trials will continue using the testimony of five protected witnesses for cases involving contract murders, arson, narcotics importation, and extortion. Also in Puerto Rico, protected witnesses will be produced for the trial of members of a terrorist group known as the "Macheteros." This group has claimed responsibility for the murder of nine unarmed U.S. Navy personnel and the rocket-bombing of the offices of the FBI in October 1983 and the Marshals Service in January 1985, among other crimes. They have also been implicated in armored car robberies that took place in New York City, Chicago and Puerto Rico. In Miami, the trials of several high-ranking members of large cocaine-importation cartels have been ongoing, utilizing the testimony of two current protected witnesses and a number of prospective protected witnesses. At least one case involves members of the same group which has been held responsible for the murder of the Colombian Minister of Justice. This same group has been linked with the Harold Rosenthal drug importation organization. A protected witness was instrumental in obtaining narcotics conspiracy convictions against four high-ranking members of the Turks and Caicos Islands government. Another witness' recent testimony resulted in the conviction of organized narcotics trafficking from the Nicaraguan army into the United States. Other noteworthy cases pending in federal and State courts throughout the country include a Boston

organized crime case, U.S. v. Angiulo, et al., with four witnesses and seven defendants who are the top echelon of New England organized crime; and, Ken Eto, who will testify in judicial and police corruption trials involving the Grayford investigation. Mr. Eto was to testify in January 1985, in U.S. v. Campise and Gastuso, but both defendants were murdered in Chicago prior to the trial. Continuing in the government's war on organized crime are three Southern District of New York prosecutions, U.S. v. Badalamenti focuses on the importation and sale of narcotics, U.S. v. Salerno targets five five La Cosa Nostra families operating in New York, and U.S. v. Castellano is against the Gambino crime family. Even though Castellano was murdered prior to his trial, the case against the Gambino family continues. These three cases have sponsored 20 persons into the Witness Security program.

Witness Security specialists are required to successfully complete an advanced six-week course of instruction that covers the application and use of sophisticated electronic equipment, physical security, personal security, trauma medicine and advanced lifesaving techniques. Additional course requirements include psychology, sociology and a study of special services. Procedures for identifying areas of deficiency in a witness' work-related skills are also integral parts of the curriculum. Training letters and conferences with field and headquarters' specialists are routinely implemented to maintain strict and uniform compliance with program guidelines and policies in all districts.

The conversion of sensitive witness security documents and files into an automated microfilm retrieval system, Phase I, is anticipated to be completed during 1986. The full automation to the Microfile Information System is expected to be implemented in Phase II. This system will then facilitate rapid retrieval of information and protect against possible destruction of the hard copy files by fire.

Word processors will be placed in major Witness Security program field locations to be used to prepare required reports. The ASF disks prepared in the field will be utilized by headquarters for direct entry into Witness Security program records. This system will save substantial time keying in statistics and report information, thereby improving the accuracy of the reporting data.

In 1985, the Marshals Service received 189 new witnesses, reactivated 98 witnesses for funding because of new threats or other reasons, and funded an average of 338 witnesses per month. Additionally, the Witness Security program provided protection and/or funding for 847 principal witnesses, or a total of 1,897 persons including family members. Since 1971, over 11,349 witnesses and family members have participated in the Witness Security program.

While the passage of the Comprehensive Crime Control Act of 1984 tightened admission requirements for program witnesses, services to authorized witnesses have been increased. Monthly child visitations will normally take place on weekends to avoid interference with school schedules. Thus, overtime for Marshals Service personnel will increase substantially.

Program Changes: No program changes are requested.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fugitive investigations and court orders.....	684	760	$41,533	684	760	$42,992	757	816	$42,925	73	56	-$67

Long-Range Goal: To investigate and arrest fugitive felons, other federal violators, foreign fugitives in the United States, and U.S. fugitives living outside the U.S.; to carry out international extraditions; to provide a timely response to all major injunctions; to execute court orders effectively; and to improve the "net return" from departmental asset forfeitures by employing sound business practices.

Major Objectives:

To initiate criminal investigations resulting in the apprehension of fugitive felons and other federal violators, and to produce appropriate reports on all felony arrests.

To respond to requests from foreign governments asking for assistance in investigating and apprehending foreign fugitives in the United States.

To coordinate, fund, and implement the extradition of federal fugitives back to the United States, and in some instances, to return foreign fugitives to the requesting country.

To provide a highly trained civilian force, known as the Special Operations Group (SOG), which responds to emergency situations including civil disturbances, terrorist incidents, and hostage situations; to provide law enforcement and security assistance to other federal and State agencies designated by the Attorney General; and to enforce major injunctions of the U.S. Courts.

To provide timely service of process, court orders, and warrants in support of the federal judiciary.

To seize, maintain, manage, and properly dispose of assets seized by and forfeited to the Federal Government.

Base Program Description: Through this program, the Marshals Service conducts criminal investigations designed to locate and apprehend federal fugitive felons. Also, the Marshals Service executes arrest warrants on behalf of those federal agencies which lack the power of arrest, and in cooperation with INTERPOL-U.S. National Central Bureau, investigates and apprehends foreign fugitives in the United States in connection with international extraditions.

The Comprehensive Crime Control Act of 1984 added a new dimension to the base fugitive workload. Now, investigative reports must be produced in increased quantities to meet the requirement which penalizes all who violate the conditions of pretrial

release. The Act has increased the number and complexity of government criminal forfeitures and seizures. It codifies into the Controlled Substances Act and the Racketeer Influenced and Corrupt Organizations (RICO) statute many of the legal concepts which are recognized in civil forfeiture law. The change in criminal forfeiture law affects the payment of mortgages and liens incurred between the illegal act and seizure of the property by the Department of Justice. This program ensures that court-ordered seizures, restraining orders, and trustee arrangements are carried out effectively. The Assets Forfeiture Fund is one of the most advanced and effective tools in the government's fight against organized crime.

The number of government civil seizures--each requiring service of a warrant in rem--increased by 65 percent from 1980 to 1985. With the implementation of the OCDE initiatives targeting "the fruits of crime," the workload has increased. OCDE seizures--such as seizures of real property and businesses--tend to be complicated and widely publicized.

A 1984 Memorandum of Understanding among the FBI, DEA, INS, and Marshals Service established the pilot National Asset Seizure and Forfeiture (NASAF) program. NASAF field units are located in each OCDE Task Force city, and in Seattle. Under the direction of Marshals Service headquarters staff, NASAF field offices provide support services and technical assistance to OCDE Task Force and Marshals Service district personnel, manage the Department's Assets Forfeiture Fund and dispose of assets seized by other Department of Justice agencies.

The Marshals Service performed a variety of administrative activities to protect the value of diverse types of holdings. In Madison County, Montana, $2.5 million in assets were seized, including a towing company, 26 vehicles, and 425 firearms. The seizure of a recording studio in California, a foundry in Wisconsin, and a combination garden shop, plant nursery and florist operation in Massachusetts require extensive staff time and technical assistance to maintain their value. Beginning in October 1984, an automated inventory and case tracking system for seized assets was implemented by the 13 NASAF field units covering all Marshals Service districts.

Beyond the efforts required to secure, inventory, appraise, provide appropriate storage for, and manage properties, the Marshals Service participates in extensive pre-seizure planning with investigative, prosecutive and seizing agents and the courts. NASAF pre-seizure guidelines emphasize that the investigative agency and U.S. Attorney must be careful in establishing the scope of the planned seizure, and that a comprehensive inventory and plan for post-seizure management must be drawn up, so that post-seizure management problems are minimized. The seizure in January 1985 of the assets of a multimillion dollar marijuana distribution operation in Leesburg, Virginia, demonstrates the need for, and benefits of, pre-seizure planning. The goal of protecting seized property from needless post-seizure deterioration or mismanagement, and valuable experience in coordinating the efforts of a range of agencies were achieved. NASAF's efforts focus primarily on complicated seizures of real property and businesses, and on high volume categories of seized property. Also, the Marshals Service began to accept all properties seized administratively by the FBI but not targeted for official use. Cash and real property subject to administrative seizure by DEA are now under custodial management of U.S. Marshals.

Along with the nationwide fugitive investigations, the Marshals Service places a special emphasis on the "15 Most Wanted" fugitive felons. Fugitive cases which make that list are given special funding, national attention, and a mobilized task force.

Fugitive Investigation Strike Team operations conducted by the Marshals Service continue to bring federal, State and/or municipal law enforcement officers together as a strong task force created to apprehend fugitives. Through FIST, the Administration's commitment to ridding our streets of dangerous, violent criminals and lowering the crime rate is furthered.

The Special Operations Group, a highly trained civilian reaction force which responds to emergency situations, is included in this program. This group is well trained in diverse areas such as the following: mass arrest techniques; control of large civil disorders; confrontation management, both urban and rural; airborne operations involving insertions and extractions; scuba, anti-sniper and explosive ordinance device operations; and a host of other capabilities.

The Marshals Service is expanding its foreign liaison outside INTERPOL and utilizes law enforcement contacts made through the State Department to enhance cooperation with foreign governments in returning fugitives to our custody. The extradition of U.S. fugitives from foreign countries is a responsibility which has become especially dangerous in light of increasing hostility towards U.S. agents in foreign countries.

This program is also responsible for the following: the service of the majority of process emanating from the federal courts and regulator agencies; providing law enforcement assistance in nuclear weapons movement through reimbursable agreements with the Joint Cruise Missile Project Office of the Department of Defense and the U.S. Air Force; and providing specific assistance to State and local law enforcement agencies. The Marshals Service is supportive of nationally coordinated and cooperative efforts by law enforcement at all levels of government.

The principal authorities governing the activities of this program are found in the following: 11 USC 11; 28 USC 569 and 570; 18 USC 3193 and the Speedy Trial Act of 1974, which mandates due diligence in the prompt execution of warrants. The Comprehensive Forfeiture Act, as a part of the Comprehensive Crime Control Act of 1984, strengthens departmental authority to seize, manage, and dispose of assets subject to both administrative and judicial forfeiture.

Accomplishments and Workload: Fugitive Investigations and Court Orders program workload is presented in the following table:

Item	1984	1985	Estimates 1986	1987
Fugitive felon warrants received	10,354	10,945*	12,000*	13,000*
USMS clears of fugitive felon cases	9,959	9,744*	10,000*	11,000*
Warrants received (all categories)	64,651	76,447	80,430	82,000
USMS clears (all categories)	54,108	58,179	62,000	64,000
Warrants unexecuted end of year (all categories)	42,994	42,171	46,000	48,000
Government property seizures (judicial only)	4,442	3,596	4,000	4,000
Private property seizures	1,863	1,773	2,000	2,000
Process handled	391,043	382,732	436,000	533,500

* This workload has been updated since preparation of the President's budget appendix.

The Marshals Service continues to place special emphasis on the investigation and apprehension of those fugitives with histories of violence, organized crime, or narcotics activities. In 1985, the Marshals Service received over 10,000 fugitive felon warrants for which it has primary responsibility, and a total of 9,744 of these warrants were cleared. The Marshals Service is often called upon to assist other investigative agencies in the execution of other federal arrest warrants and in 1984, 12,785 such warrants were cleared by Marshals Service investigators, either by arrest or by other means. A total of 54,108 warrants in all categories, including felonies, misdemeanor and traffic warrants, were cleared by the Marshals Service in 1984, and 58,179 in 1985.

The Marshals Service concluded its most successful FIST operation in 1985, netting 3,816 fugitive felons in Florida and several Caribbean and Central American countries. This eighth FIST operation included law enforcement officers from Florida as well as representatives from the Caribbean and Central American countries. FIST arrests now number 14,264 during a cumulative period of 73 weeks at an average cost per arrest of only $834. Of that number, 90 percent were sought on State and local charges. FIST operations result in a high number of felony arrests, and as New York Police Department Assistant Chief Anthony Volker stated at the end of the seventh FIST, "... (this) intelligent, professional, cooperative effort is indeed the essence of the good and effective law enforcement that our citizens are entitled to." FIST promotes long-term, productive relations that lead to the arrest of felons, both federal and local, long after FIST has ended.

In 1985 alone, 13 felons from the "15 Most Wanted" list were arrested. Since the "15 Most Wanted" program was initiated in February of 1983, 28 of these particularly dangerous felons have been apprehended. One such fugitive was convicted murderer Bernard Welch, the subject of a multi-agency manhunt since his escape from a correctional institution in May 1985. Welch was apprehended by local police in Greensburg, Pennsylvania, where he resided while burglarizing many homes in the Pittsburgh area. Within the last six months, the Marshals Service was responsible for the capture of the following felons: Severo Enrique Escobar, who, after escaping federal officials in New York, returned to Colombia to continue operating a large narcotics operation; Judy Katherine McNelis, drug-ring leader who escaped from custody while awaiting trial; Karl Robert Myers, who was brought to trial and convicted on charges brought by Organized Crime Drug Enforcement agents and subsequently escaped from prison; William Joseph Dougherty, a parole violator who continued a spree of bank robberies while a fugitive; James Lee Greathouse, who failed to appear for trial on firearms violations and was wanted by Kansas authorities for escape; Arvicis Julius Kiperts, a parole violator who was a prime suspect in several armed robberies in the northeastern States before his capture. Recently, the Marshals Service arrested Anthony Dominic Ciotti, an official of organized crime, wanted for two years since he failed to surrender to begin serving a 15-year sentence after his conviction on narcotics charges.

As a leading international law enforcement organization, the Marshals Service is seeking to augment its investigative contacts in foreign countries. These liaisons have already assisted Marshals Service investigators in locating and arresting fugitives from the United States. In return, the Marshals Service helps to locate foreign fugitives in the United States. Last year, 200 such cases were referred to Marshals Service investigators from foreign countries through INTERPOL - U.S. National Central Bureau. In March 1985, the Marshals Service, at the request of the Attorney General, joined the worldwide search for fugitive Nazi Dr. Joseph Mengele, known as the "Angel of Death" for his part in human torture during World II. As a result of skillful investigation and a close working relationship with police in West Germany and Brazil, the remains of Mengele were discovered, and the search was brought to a successful conclusion.

The Marshals Service coordinated and completed 95 international extraditions in 1984, and 185 in 1985. Upgraded security measures have been instituted by the Marshals Service in light of new concerns for the safety of federal agents abroad. Earlier this year, four extremely dangerous Colombian nationals wanted for drug trafficking were returned to the United

States from Bogota aboard a special Colombian Air Force plane. Stringent security measures are necessary in performing extraditions from Colombia due to death threats against American agents by factions within the Colombian underworld.

Seven Marshals Service districts are using the new Warrant Information Network. This system provides investigative information and assists in locating fugitive felons. It provides important data and leads to improved management decisions.

The use of paid, confidential informants in Marshals Service criminal investigations is continuing to be successful. In 1984, 61 felony arrests were made, using a total of $69,576 in informant funds. In 1985, the Marshals Service paid 98 informants a total of $62,843, resulting in 61 arrests.

Judicial forfeiture actions leveled off in 1985 because of the increased threshhold (from $10,000 to $100,000) under which property may be seized administratively by an investigative agency. In 1985, the Marshals Service began to accept custodial responsibility for property subject to administrative forfeiture. By 1987, when the Marshals Service plans to assume full responsibility for all vehicles subject to forfeiture in the southwestern United States, the Marshals Service will be managing and disposing of approximately 85 percent of all property seized for forfeiture by the Department of Justice.

The number of real property seizures under USMS custody, both residential and commercial, doubled from 130 to 260 in 1985. As of the end of 1985, real property represented the largest single asset category in terms of value.

The Marshals Service is no longer mandated to serve certain civil process for private litigants. However, the workload generated by paupers and court orders produced a workload averaging 8,000 per month. The Marshals Service continues to receive an average of 25,000 pieces of process from government sources each month.

Program Changes: The Marshals Service needs 43 additional positions and $1,643,000 to meet the increased workload caused by OCDE Task Force activity. In 1985, OCDE Task Force initiatives generated over 250 additional fugitive felon investigations requiring Marshals Service action. Cases involving drugs are especially complex because the criminal usually has money and other resources available for avoiding capture. Without the additional 43 law enforcement positions, the Marshals Service will not be able to keep up with its OCDE workload, the felons will remain on the streets, and the workload of other OCDE Task Force agencies will increase.

In 1978, P.L. 95-86 made the Marshals Service responsible for fugitive extraditions. The number of fugitives has been increasing each year, and since 1983 has created a 300 percent increase in cost. The Marshals Service will need an additional $300,000 in order to meet the requirements of P.L. 95-86 in 1987.

The Marshals Service needs 30 positions and $840,000 in order to handle the 206,500 pieces of government civil process expected in 1987, 155,000 of which are summonses and complaints stemming from debt collection initiatives. Pending legislation will ease the government's efforts to collect its debts but will present the Marshals Service with a substantial increase in government civil process workload for 1987. Most of the debt collection process is in the form of summonses and complaints. Although mail service is allowable in these cases, most persons must be served personally by a Deputy Marshal in order to effect service on these often evasive individuals.

As a result of the establishment of the Department of Justice Assets Forfeiture Fund, the U.S. Marshals Service no longer requires funding for certain expenses related to the managing and maintaining of seized assets. Therefore, a program reduction of $2,850,000 is possible.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Judicial security.....	378	385	$21,774	378	385	$22,540	396	399	$23,164	18	14	$624

Long-Range Goal: To ensure the integrity of the federal judicial system by providing security at all places in which federal judicial business is conducted, and to eliminate fear of intimidation, retribution, or physical harm on behalf of all judicial participants.

Major Objectives:

To establish a baseline assessment of existing security safeguards at the approximately 480 judicial facilities across the nation; to evaluate new and changing security requirements as they arise; and to recommend security measures and provide technical security expertise and advice to U.S. marshals and the federal judiciary on security procedures and the latest state-of-the-art security equipment.

To provide personnel and security systems to protect all high-threat trials, other criminal proceedings, and sensitive civil proceedings, where warranted, through the ongoing assessment of the security requirements for all judicial proceedings.

To establish and maintain a threat assessment and risk management methodology and provide adequate and comprehensive 24 hour-a-day security services to members of the federal judiciary, including employees and families who become threatened as a result of performing their official duties, as well as for all sequestered juries, grand juries, judicial conferences, and judicial workshops.

To provide appropriate numbers of contract security officers and security equipment items to adequately secure all judicial facilities and those judicial proceedings not covered by deputy U.S. marshals.

Base Program Description: This program addresses the requirements for security to ensure the integrity and effectiveness of the federal judicial process. During the past decade, increasing incidents of disruption and violence in the courtroom or directed at officials have contributed to a growing concern over the adequacy of the security provided to the federal judiciary. More recently, concern for judicial safety has been intensified by the following: an increase in the number of federal judges, magistrates, prosecutors, and law enforcement officers in other federal agencies, all of which contribute to our judicial security workload; expanded visibility of many judicial activities through increased media coverage; and the October 1984 passage of the Comprehensive Crime Control Act of 1984. Because of the changing needs of the federal judiciary, this program must develop and maintain a comprehensive security system for each of the 480 federal judicial facilities to ensure that the security needs of courtrooms, judges' chambers, hearing rooms, staff offices and other areas, as well as personnel are addressed.

Judicial security maintains the integrity of the federal judicial process through the four program elements discussed below. This program provides security at all federal judicial facilities; ensures the personal safety of more than 3,000 judges, magistrates, and other employees of the judiciary; and protects many additional thousands of jurors, witnesses, and other trial participants from harm or intimidation.

The Technical Assistance program element provides highly trained judicial security specialists located throughout the nation and at the Marshals Service headquarters. These specialists assist U.S. marshals, prosecutors, and judges in evaluating security risks and planning and implementing appropriate responses, be it personnel, equipment, training, or a combination of responses. Additionally, technical assistance is provided through coordinated planning with and training of other federal, State, and local law enforcement agencies.

The Court Security program element involves the assignment of personnel and the use of systems and procedures to ensure the safety and integrity of judicial proceedings and participants. Appropriate security measures may include the following: screening courtroom participants, packages, and spectators with X-ray equipment and metal detectors placed at the entrance to federal courtrooms; daily searches of courtrooms for weapons or contraband prior to and after proceedings; controlling the seating of courtroom spectators and members of the press; isolating the criminal defendants from the public; and ensuring that an appropriate number of deputy U.S. marshals are assigned to the courtroom to preclude or minimize any disruption that could reasonably be anticipated. The Administration's initiative against organized and drug-related crime involves judicial proceedings which are not only more complex and lengthy, but also are potentially more explosive and include courtroom violence, threats, escapes, and intimidation of judicial officials. These groups have demonstrated both the capability and willingness to commit acts of terror in order to meet their needs. Such acts of terror (murder-for-hire, increasing use of automatic weapons and explosives, plot to kill judges) are furthered by substantial financial bases and a disregard for order in society, and continue to pose a threat to court security. Last year alone, there were no fewer than 3,118 indictments against organized crime figures resulting in 2,194 convictions. Only with a well-planned, comprehensive judicial security system using both personnel and equipment can these types of trials be conducted in a safe atmosphere. Prosecutions of traditional organized crime, as well as other violent groups such as outlaw motorcycle gangs, Aryan Nation, Posse Comitatus, prison gangs, ethnic or racial-based terrorist "liberation" or people's groups are increasing. The RICO statute of 1970 has been a powerful tool in prosecuting organized crime figures, bringing very violent elements into the federal courtrooms in lengthier proceedings.

The assessment of threats is an increasingly important function of the Protective Services program element within the Marshals Service, one which, from an organizational standpoint, had been conducted in a fragmented manner, with each program area affected - Judicial Security, Witness Security, Warrant Enforcement Operations - responding to its specific needs. To address this problem, a centralized Threat Analysis Group was established to provide information concerning threats to Marshals Service personnel and to those who are under the protection of the Marshals Service. The Threat Analysis Group supports operations involving judicial security, high-threat trials, witness security, and enforcement operations (especially the execution of warrants involving violence-prone groups).

In addition to producing formal requested threat assessments, the Group issues advisories concerning known or potential threats and responds to informal threat-related inquiries. Thus, the Group performs a critical service in providing a clearer picture of threat situations so that better tactical and resource management decisions may be made. Centralizing threat assessment responsibilities enables the development of professional expertise in the processing and analysis of critical threat information, an indispensable tool in countering highly organized, dangerous groups which resist violently any enforcement efforts and judicial proceedings against them.

The extent and duration of protective services for individuals vary with the severity of the threat and the capability of its being carried out by the person or persons making the threat. Personal security services are most effective through the close monitoring and controlling of the immediate environment of the threatened individual. A protective services assignment always involves at least two deputy U.S. marshals. If the assignment requires 24-hour coverage, the assignment may involve using six or more deputy U.S. marshals, again depending upon the threat circumstances and whether family members must also be protected. When a threat emerges, the FBI is immediately contacted to investigate, and the Threat Analysis Group becomes involved. Notification of the threat is also given to other appropriate federal, State, and local law enforcement agencies. In addition to normal security measures delineated under the Court Security program element, the following protective service precautions are affected: access and admittance to the threatened individual's office is limited through the use of closed circuit television monitoring, buzz lock entry control systems, and controlled mail or package reception; information is gathered and maintained regarding the individual's medical history, personal physician, emergency hospital facilities and food restrictions; use of a bulletproof vest, if warranted; surveying the individual's portal-to-portal travel pattern to assess vulnerable areas and to identify alternative routes; surveying the individual's home to provide the individual with guidance on temporary or permanent precautions such as perimeter alarm systems, landscaping for security, lighting, garage alarms for automobile safety, locking systems, bullet-resistant glass, etc.; requesting enhanced patrol and monitoring of the individual's residence by local police; and use of the latest technology in sensors and alarms. Unfortunately, threats against the judiciary increased in 1985 with 240 documented threats recorded against 153 threats in 1984, for a 57 percent increase.

The Judicial Facility Security program element utilizes authority delegated by the General Services Administration to contract with the private sector for highly qualified and capable contract guards called Court Security Officers (CSOs) and for the installation and maintenance of physical security equipment. All direct costs for this program element are funded by the judiciary through a memorandum of understanding with the Administrative Office of the United States Courts. Under this program element, the Marshals Service is providing an initial allocation of CSOs in 93 of the 94 judicial districts. These CSOs monitor both fixed and roving checkpoints throughout the judicial areas in court facilities in lieu of the Protective Service Officers formerly provided by GSA. A limited special deputation is conferred upon CSOs which allows them to enforce federal laws and regulations at the duty site, including using X-ray machines and metal detectors to prevent illegal weapons and contraband being taken into the judicial areas. A recent initiative expanded the duties of CSOs to include requiring their presence as security officers at judicial proceedings which do not warrant the presence of a deputy U.S. marshal.

The second vital aspect of this program element is contracting for the acquisition, installation, and maintenance of physical security equipment. Under the Delegation of Procurement Authority issued by the GSA, the Marshals Service awarded the first part of a two-phase contract for national court security systems on September 21, 1984. The Judicial Security program has been designated by the Deputy Attorney General as falling under the purview of Office of Management and Budget Circular A-102. This contract will lead to a single national contract to satisfy the judicial security systems requirement.

The effectiveness of the Marshals Service's management and oversight initiatives in administering the Court Security Officers program has been recognized and praised by Supreme Court Chief Justice Warren Burger and the district court chief judges who unanimously agree that the Judicial Facility Security program element has helped to increase significantly the overall security of the U.S. Courts. During 1984, 373 additional CSOs were trained and reported for duty. By the end of 1985, a total of 828 CSOs were in place.

Principal statutory authority for judicial security is contained in 1-Stat 73-87-Judiciary Act of 1789; Title 28 U.S.C. Section 569, Powers and Duties Generally (of U.S. Marshals); and Title 28, C.F.R. Subpart T, Section 0.111, General Functions. These statutes authorize and empower the U.S. Marshals Service and make it principally responsible for security for the federal judiciary. Judicial security is enforced along guidelines established by the Attorney General and endorsed by the Chief Justice of the United States.

Accomplishments and Workload: The workload of the Judicial Security program is presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Criminal trial bench hours	91,134	103,907	105,068	131,472
Sensitive trials	240	251	264	298
Civil trial bench hours	178,622	205,875	210,733	215,705
Other proceedings-bench hours	132,178	156,132	164,289	172,872
Magistrate proceedings	396,934	433,630	473,718	517,513
Security systems projects:				
Required	409	751	700	560
Completed	68	501	515	560
Threats received	153	240	265	292
Protective services details performed	30	57	104	110

Since the entire thrust of the Judicial Security program is preventive in nature, the most significant accomplishments are measured in terms of the following which did not happen: no prisoner successfully escaped from the courtroom; no threatened judicial officer was harmed (however, there were two actual assaults against two judges which resulted in protective details); and no judicial proceeding was disrupted to the extent that justice was thwarted. In essence, the overall goal of ensuring the integrity of the judicial process and the safety of the judiciary was achieved. This was accomplished in the federal sector at a time when violent incidents directed against State and local jurists and proceedings were escalating at an alarming rate. During 1985, judicial security personnel maintained security in an increasing number of more complex court proceedings, including all federal criminal proceedings, high-threat civil proceedings, criminal magistrate proceedings, and grand juries.

For the 12-month period ending June 30, 1984, judicial security was provided for a total of 6,456 criminal proceedings. It should be noted, however, that this figure fails to reflect either the workload or accomplishments adequately. Because of this Administration's enforcement initiatives against organized crime and illegal drugs, the Marshals Service has had to provide more and higher levels of security than ever before. The passage of the Comprehensive Crime Control Act of 1984 has affected this program seriously. The Act is directed primarily against individuals and groups of the most violent nature, and contains provisions whereby defendants may be incarcerated without bail pending trial. For the first quarter of 1985, the Marshals Service provided judicial security at an average of 1,687 detention hearings and appeals per month, producing in court a monthly average of 2,927 defendants for proceedings under the Act. A total of 93 percent of all defendants at these proceedings were incarcerated without bail, reflecting the sentiment of one Federal District Judge that "No conditions or combination of conditions (other than detention) would reasonably assure the safety of other persons and the community...."

Drug statute prosecutions amount to 26 percent of all federal prosecutions. If drug-related prosecutions such as extortion, racketeering, weapons, and tax fraud are included, this figure increases to approximately 45 percent. A recent United Press International article reports that, based upon information provided by the judiciary and the White House, the courts are handling a record number of drug cases. The article cites a recent report which showed drug cases in federal courts increasing by 20 percent, with narcotics violations alone up 37.8 percent. The resultant proceedings are longer and involve higher levels of security. In contrast, lower risk prosecutions for traffic violations, forgery, and counterfeiting are decreasing.

Threats against the judiciary have continued to increase. In 1983 there were 119 threats; in 1984, 153 threats; and for 1985, 240 documented threats, an increase of 57 percent over 1984. Of these 240 threats, 198 were against judges and magistrates, 38 against U.S. attorneys, and four against other staff members. The sources of these judicial threats included the following: individuals--57 percent; others--21 percent; terrorists--8 percent; drug cartels--5 percent; paramilitary groups--5 percent; motorcycle gangs--2 percent; prison gangs--1 percent; and organized crime--1 percent.

In addition to maintaining security at criminal trials, the Marshals Service must also meet the equally important and potentially volatile task of providing security at U.S. magistrate hearings, and criminal and civil trials. Preliminary figures of the Administrative Office of the U.S. Courts (AOUSC) show an increase of 22.2 percent for misdemeanor charges in trial jurisdiction, a 7.4 percent increase in other trial jurisdiction cases, a 9.9 percent increase in preliminary hearings, and an increase of 8.9 percent in additional duties performed by the U.S. magistrates, for a total increase of 48.4 percent over 1984 in criminal and civil hearings.

While the Marshals Service is not required to provide security support at all civil trials, it does provide security at trials in which a potential exists for violence or when ordered to do so by the court. In 1985, there were 135 sensitive trials which required technical assistance for civil proceedings involving prisoner petition cases, selected civil rights cases, tax suits involving tax protestors, selected environmental impact cases, cases involving motorcycle gangs, and cases involving organized crime and political figures. The latest information compiled by the AOUSC indicates that approximately one-third of all illicit drug trials last four days or more. This is partially due to the legal complexity in prosecuting these cases. Security, on the other hand, is more complex because of the tremendous amount of resources available to defendants in such cases and their proven histories of willingness and capability of using violence and intimidation to accomplish their objective.

Program Changes: A total program increase of $624,000 and 18 positions will provide positions and resources for protective services and threat analysis. Specifically, an increase of 12 law enforcement positions and $457,000 is needed to provide the required courtroom security for OCDE-related proceedings in an efficient manner. An increase of six positions and $167,000 is needed to provide indepth analysis of threat situations, thereby reducing potential danger. Without these positions and resources, potentially life-threatening situations could result.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and telecommunications.....	8	8	$6,115	8	8	$6,335	8	8	$7,935	...	...	$1,600

Long-Range Goal: To develop and implement automated and telecommunications systems to support all operational, administrative, and managerial functions of the Marshals Service and to maintain these systems so as to continuously provide staff support for all automated systems.

Major Objectives:

To broaden implementation of the radio and telecommunications systems in order to strengthen operational law enforcement capabilities.

To implement and improve systems of automation including the District Automation Project, prisoner population management, district accounting, and office automation functions as well as various systems to support the numerous operational missions of the Marshals Service.

Base Program Description: The Marshals Service telecommunications systems provide rapid data/voice communications via the latest state-of-the-art equipment, including telephones, facsimile transceivers, and visual display terminal systems as well as radios and base stations to support all Marshals Service missions fully.

The ADP support function is designed to implement and maintain automated systems for the administrative and operational activities necessary to support the Marshals Service mission requirements. This is accomplished by systems development and hardware acquisition for all Marshals Service entities.

Accomplishments and Workload: The workload of the ADP and Telecommunications program is presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
JUST and NLETS teletype messages.....	1,107,716	1,110,100	1,112,100	1,112,100
NCIC clears and hits.....	4,413	4,946	4,996	4,996
Districts automated.....	...	8	30	30

The Marshals Service telecommunications systems have been upgraded with new state-of-the-art visual display terminal equipment to provide full service to our field locations and support total Marshals Service operations. Every Marshals Service terminal user now has the capability, where permitted, to access State data banks via the National Law Enforcement Telecommunications System (NLETS). Other systems that are presently being accessed are the following: 1) National Crime Information Center (NCIC), 2) Treasury Enforcement Communications System (TECS), and 3) Warrants Information Network (WIN).

Installation of a number of secure telephone units has been completed at various locations within the Marshals Service. All other facilities designated to receive these telephone units will receive them during the period 1985-86. Various districts throughout the Marshals Service have received upgraded telephone systems, such as: 1) Horizon, 2) Merlin, and 3) COMKEY 416.

The 1985 accomplishments of the ADP management program are the following: 1) implementation of the Prisoner Population Management System and the District Accounting System in eight District Automation Project pilot districts and initiation of the evaluation of the technical alternatives; 2) implementation of the Warrant Information Network in three large districts; 3) development of an Employee Skills Profile with data from all operational employees to support training, deputy assignments and personnel activities; 4) ongoing maintenance and enhancements to the Statistical Reporting System, Witness Security System, and Jail Contracts Management System; and 5) completion of a requirements analysis of the Witness Security System to support the major enhancement necessary to meet the requirements of the Comprehensive Crime Control Act of 1984.

Program Changes: A program increase of $1,600,000 would provide the resources to equip new deputies with necessary radios, and to accelerate completion of the total radio system which provides digital voice protection capabilities to all operational personnel. These radios will enhance communications between deputies who are in custody of and transport the most dangerous and high-risk prisoners, thereby possibly avoiding future loss of lives. Also, this system will permit communications between the Marshals Service and other law enforcement organizations in joint operational missions.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field support and training.....	173	167	$4,968	173	167	$5,156	173	167	$5,156	...	...	...

Long-Range Goal: To develop the most comprehensive and sophisticated training possible for all employees and support the day-to-day operational mission of the Marshals Service in the area of financial management.

Major Objectives:

To develop and maintain the Marshals Service's human resources by providing an ongoing comprehensive set of internal and external training courses to achieve a level of excellence in the Service's personnel.

To collect and disburse funds in a timely and efficient manner.

Base Program Description: This program is responsible for providing financial support and developing, conducting and overseeing the training of Marshals Service personnel.

The Financial Support Services program element is responsible for the prompt payment of debts and for collection and deposit of funds due the government by law or court order.

In response to the ever-increasing demands placed on the Marshals Service by the judicial and executive branches, the Marshals Service Training program element provides initial, refresher and specialized courses of instruction which produce a highly competent operational and administrative workforce.

Training is essential to the Marshals Service because all employees do many different jobs that must be done efficiently, professionally and safely. Service training focuses not only on the operational responsibilities of the deputy U.S. marshal but also on the important management and administrative jobs that Service personnel perform each and every day.

Accomplishments and Workload: The workload of the Field Support and Training program is presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Check Issuances	233,994	242,783	255,000	255,000
Vouchers Certified	147,790	155,201	160,000	160,000
Basic Deputy Marshal Training	120	186	480	240
Advanced Training (number receiving training)	375	471	956	980
Supervisory Management Training	100	140	140	140
Court Security Orientation	567*	606*	500*	500*
Special Operations Group Training	160	160	160	160
Survival School	350	300**	300**	300
Interagency/Non-Gov't Training	700	750	750	750
Fed/State/Local Training Assistance	90	222	438	438

* Cost is reimbursed by Administrative Office of the U.S. Courts.
** Includes 100 border patrol officers receiving the training, for which the Marshals Service was/will be reimbursed.

In the area of Financial Support Services, the Service issued various directives to improve the accounting and reporting system for the collection and disbursement of funds in the district offices. The district offices processed 155,201 vouchers and issued 242,783 checks amounting to $293 million during 1985. Collections for this period were approximately $141 million.

Training remains an essential ingredient in the quality of a law enforcement agency and the Marshals Service today is privileged to have at its disposal the most effective, state-of-the-art training facility in its long history. A combination of high-tech equipment and resources, dedicated instructors, and priority attention to the training mission make Marshals Service personnel among the best trained law enforcement officers in the world. These factors enable the Marshals Service to continue to place heavy emphasis on providing its personnel with the most comprehensive training available. During 1985, the Marshals Service Training Academy trained 1,757 Marshals Service and other law enforcement personnel in 53 separate schools and conferences. This consisted of 21,629 student training days at the Federal Law Enforcement Training Center (FLETC), which is a 51 percent increase over the 1984 level. In 1985, there were eight Criminal Investigator Schools with eight follow-on Basic Deputy Schools, compared to five of each in 1984. Specialized advanced training conducted included the following: one Fugitive Investigation class; two Range Officer Training classes; seven Advanced Deputy Training classes with Protective Services training incorporated into them; two Witness Security Inspector Basic classes; one Protective Services School (as a follow-up to WITSEC Basic); two Administrative and Financial Management Seminars; three State and local Court Security Seminars; 13 Court Security Officer Orientation classes; one Court Security Seminar; one Firearms Instructors Training Program and one Prisoner Detention School. The Training Academy has also arranged for 12 personnel to attend FLETC's Basic Instructors Training program and 45 deputy U.S. marshals attended the Law Enforcement Spanish Training Program at FLETC. In addition to those 57 individuals, and as a direct result of the National Asset Seizure and Forfeiture Program, four individuals were trained in Marine Law Enforcement Techniques.

The average length of time for each course at the Academy was 15 days. The average cost per course was $22,913 and the average cost per student was $940. In addition to these significant amounts of training, the U.S. Marshals Service Training Academy concluded the largest training effort of any law enforcement entity by completing the fourth seminar contracted with Calibre Press, Inc., to train the last 272 of our journeymen deputies and inspectors in "Street Survival Seminars."

The establishment of the Special Operations Group (SOG) Training Center at Camp Beauregard, Louisiana, in 1984, provided the Marshals Service with a facility to train operational personnel in Officers Survival Techniques and related advanced law enforcement training courses. Approximately 300 operational personnel were trained at this facility. Interagency training was provided (on a reimbursable agreement arrangement) to the U.S. Border Patrol who are in the process of forming a 100 person tactical response unit. Fifty percent of this unit has been trained and formed with the balance to be completed in 1986. In addition, training and operational assistance has been provided to the U.S. Probation and Parole Officers, U.S. Fish and Wildlife Service, U.S. Park Police, classified military units, and other local, State and federal agencies.

The State Department has requested that SOG assist with the training of foreign law enforcement personnel through the Anti-Terrorism Assistance program. SOG assisted district field offices and Marshals Service programs by providing intelligence and technical support. SOG personnel staff members provided valuable assistance to the Micronesian Chief of Police Conference held in the Republic of Palau, Western Caroline Islands. In cooperation with the Federal Aviation Administration, the Special Operations Group provided assistance in researching and developing an Anti-Air Piracy Program that has been implemented by many foreign countries. SOG also assisted the Department of the Army by providing an intelligence and security survey of the Kwajalein Islands. An agreement has been reached between the Service and the Department of Defense to develop and implement, if necessary, an Emergency Response Team for the Kwajalein Islands.

SOG receives over 25 requests a month seeking training assistance in such areas as officer survival tactics, marksmanship, organizing a tactical unit, assaults and barricades, and teaching operational planning. In additon, SOG expertise in weaponry has prompted several manufacturing companies to research and implement Marshals Service modifications on their own firearms equipment for increased safety and efficiency.

The Personnel Management Division administers the Service's management and administrative training program. In 1985, 19 first-level supervisors attended a two-week management seminar and 23 second-level supervisors attended a two and a half week management seminar. A new class, Personnel and Financial Management Seminar, was developed to provide instruction to managers and supervisors in personnel and financial management techniques. Twenty-three managers and supervisors attended the first class in August 1985. The Personnel Management Division held a two-day seminar on interviewing techniques for 16 individuals. Five brief sessions were held covering various management topics including Marshals Service Budgeting, Workplace Wellness, Positive Leadership, and Hostage Negotiations/Stress Management. Forty-one individuals with EEO collateral duties attended a one-week seminar which covered personnel management and EEO principles and practices. During 1985, a new course on civil and criminal process was developed and will be implemented in 1986.

Program Changes: No program changes are requested.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Handling of federal prisoners...	945	984	$45,105	945	984	$46,696	960	995	$48,069	15	11	$1,373

Long-Range Goal: To ensure expeditious, economical, and secure methods for the custody, receipt, processing, production and transportation of federal prisoners and to acquire and maintain sufficient and acceptable detention space for federal prisoners in non-federal facilities.

Major Objectives:

To obtain adequate and sufficient detention space in federal court cities to permit the efficient and cost-effective daily production of federal prisoners in accordance with court schedules.

To efficiently receive and process all federal prisoners remanded to custody and move and transport prisoners in a safe and secure manner within court imposed deadlines.

To expand the National Prisoner Transportation System (NPTS) capabilities, further reduce costly commercial modes and increase transportation services for other agencies (such as the Bureau of Prisons and the Immigration and Naturalization Service) on a reimbursable and cost-effective basis.

To reduce staff time, both regular and overtime, travel costs and jail expenses associated with the production and transportation of prisoners by improving scheduling and processing techniques and maximizing the utilization of mass transportation systems.

To develop and maintain an on-line prisoner management information system to provide the Marshals Service with the capability to locate, track and monitor federal prisoner populations to provide economy and efficiency in transportation expenses and to produce prisoner reports required for financial management.

To accomplish all on-site jail inspections to measure contract facilities' level of compliance with State, local and national detention standards; assist such facilities in designing and implementing projects to improve substandard conditions of confinement; and reduce court orders and inmate litigation resulting from inadequate space.

To successfully administer the Cooperative Agreement Program (CAP) and Federal Excess Property Program in order to obtain guaranteed detention space from qualified contract facilities in federal court cities.

Base Program Description: This program supports the federal judicial system through its responsibility for: (1) the receipt, administrative processing, and production for judicial proceedings of all prisoners in Marshals Service custody; (2) the transportation and movement of federal prisoners; (3) the NPTS; and (4) the supervision of unsentenced prisoners.

Receipt and Processing - Individuals arrested or detained for violation of federal statutes by any law enforcement officer are brought before a magistrate for one or more detention hearings. Upon completion of the initial detention hearing, the prisoner is remanded to the custody of the Marshals Service until such time as the charges are dismissed, the prisoner is released on bond or personal recognizance, or is tried, acquitted, or convicted and delivered to an institution for service of the sentence. Each individual arraigned is processed by the Marshals Service. Processing includes the assignment of a prisoner control number, fingerprinting and photographs, establishment of criminal and personal data records, property records, medical records and other data. Inquiries are made through the National Criminal Information Center (NCIC) to determine if there are other outstanding charges. Requests for name and fingerprint checks are forwarded to the Federal Bureau of Investigation. Each day, prisoners are moved to and from contract or federal detention facilities and district holding cells for production in accordance with court calendars and for outpatient medical care and hospitalization as required.

Transportation and Movement - Federal prisoners are transported and moved within and between districts for study, observation and competency examinations, delivery to designated institutions for service of sentence, as well as transfers between federal institutions. Such moves must be accomplished in accordance with court directives in a secure and cost-effective manner. The current modes of transporting federal prisoners include automobile, bus, van, and air. Short-distance prisoner movements are routinely completed by district personnel in government vehicles. The long-distance movements are centrally controlled to ensure the maximum number of prisoners are moved in the most efficient and cost-effective manner possible.

NPTS - Long-distance prisoner movements are accomplished through NPTS which is composed of airlift and supporting bus, van and small plane feeder systems. When NPTS cannot meet court imposed deadlines because of air routes and infrequency of airlifts, regularly scheduled commercial air service and chartered aircraft must be used. The scheduling of prisoner movements is completed through coordination of data received from 94 judicial districts and 41 Federal Prison System institutions. Management information including the number of trips performed and prisoners moved, travel, guard, and overtime obligations, and mode of travel utilized is collected. The Marshals Service also coordinates and schedules the majority of the sentenced prisoner transfers between Federal Prison System (FPS) institutions.

Supervision of Unsentenced Prisoners - The supervision of unsentenced prisoners function has the responsibility for the acquisition of adequate and sufficient detention space for federal prisoners in custody in non-federal facilities located in or near federal court cities. This program also administers the Cooperative Agreement and Federal Excess Property programs which were specifically designed to improve the level of inmate services, halt the loss of jail space, and obtain guaranteed space for prisoners in federal court cities.

Detention space is obtained through the negotiation, award and administration of an estimated 815 interagency agreements and contracts, which generate an annual requirement for approximately 1,050 on-site jail inspections. Jail inspections were designed to ascertain the level of compliance of each facility with established national detention standards and to identify those conditions of confinement which are substandard and could result in prisoner legal actions against the jail and the Marshals Service.

As a result of severe overcrowding, an ever increasing tide of prisoner litigation, and court orders on substandard conditions of confinement, the Marshals Service has experienced a serious decline in the number of local jails in metropolitan areas which are willing to continue to house federal prisoners. By mid 1985, a total of 261 State and local facilities had terminated or severely restricted space for federal prisoners. The result was a significant increase in the number of unsentenced federal prisoners who had to be diverted to already overcrowded federal institutions or outlying rural jails. Since 1979, the number of prisoners housed in federal facilities has increased by 35 percent and federal institutions are, at present, approximately 42 percent over their rated capacity. Where federal detention space is unavailable, districts must produce much of their displaced prisoner load from outlying facilities for court proceedings which in turn generates a drain on agency personnel and transportation resources. In order to produce prisoners for court, deputy marshals are often required to travel several hours to these jails, on overtime status, at the beginning of the day and repeat the process at the end of the court day. From 1979-1985, the number of operational workyears devoted to this essential function increased by 59 percent. The opportunity for prisoner escape, highway accidents, and deputy error caused by fatigue increases dramatically with the distances traveled.

The addition of 61 federal district court judgeships will result in an estimated 12 percent increase (approximately 4,400) in the criminal caseload each year. When other related judicial matters which require prisoner production and deputy U.S. marshal presence to provide security (such as interviews with attorneys, pleadings and motions) are taken into account, the workload impact is significant. As of January 1986, 80 percent of these judgeships were filled.

The implementation of the Comprehensive Crime Control Act of 1984, (CCCA) has had, and is expected to continue to have, a significant impact on Marshals Service prisoner production and detention programs and related workload. From 1984 to 1985, the Marshals Service's average daily population increased 32 percent, prisoner productions increased 5 percent, contract jail days increased 13 percent, and the average stay per prisoner increased 12 percent. The bail reform provisions of the Act resulted in fewer prisoners being released on bond or self-recognizance and, in turn, increased the requirement for secure escort and prisoner production for judicial proceedings. The growth in Marshals Service prisoner loads and production requirements has also resulted in a significant increase in the level of operational personnel resources required for this function. Operational workhours increased 13 percent overall from 1984 to 1985 with a dramatic increase (31 percent) in the number of workhours required for the in court with prisoners function. It is significant to note that many of these increased workhours were accomplished through overtime. In court with prisoners overtime hours increased 161 percent over the 1984 level, with overtime hours increasing 30 percent overall.

This dramatic increase in prisoner loads has served only to exacerbate the jail space crisis and could weaken significantly the recent gains of the Cooperative Agreement Program. As federal detention facilities and local jails in metropolitan areas are overcrowded and cannot continue to support these increased prisoner loads, U.S. marshals have been forced to expand utilization of facilties in outlying areas to accommodate this prisoner load increase. The utilization of additional facilities in various locations requires the scheduling of additional deputies for the pickup and production of these prisoners to the cellblock as well as providing secure escort during judicial proceedings.

Accomplishments and Workload: The workload of the Handling of Federal Prisoners program is presented in the following table:

Item	1984	1985	Estimates 1986	Estimates 1987
Number of prisoners received and processed	82,365	82,390*	84,000*	85,000*
Number of prisoners produced	290,648	306,802	322,200	340,000
Number of prisoners moved	113,501	127,049	142,204	167,711
Number of trips completed	24,761	27,408	30,360	34,980
Average receipt and process hours per prisoner	13.5	14.9	16.8	18.0
Jail inspections performed	313	294	452	450
Jail agreements written or modified	147	158	175	185
Jail agreements in force	791	815	825	835

*This workload has been updated since preparation of the President's budget appendix.

59-584 O—86—48

In 1985, the Marshals Service received 82,390 individuals charged with violations of federal laws of which 94 percent (77,096) were detained in custody (52,823 in contract jails and 24,273 in federal institutions). On the average, each prisoner received was produced 3.7 times due to the requirements for detention hearings, trials, other court proceedings, medical care, and transfers between detention facilities to alleviate critical space shortages. The increase in the number of federal judges and magistrates and the loss of critically needed jail space close to the courts, has forced district personnel to expend 113 percent more workyears than in 1979 for within-district movement of prisoners.

During 1985, the Marshals Service conducted 127,049 prisoner movements, of which 64,345 (51 percent) were by NPTS. The number of NPTS airlifts increased, resulting in 10,994 movements (17 percent of the total NPTS movements) being transported by airlifts. The NPTS airlifts, coupled with the "Centralized Ticketing" program, resulted in a reduction in the amount of funds expended for commercial air usage compared to 1984 statistics. This program centralizes the scheduling of prisoner trips on commercial airlines in order to obtain the best rates available, ensures the maximum use of the contract city pairs, and limits the per diem and overtime per trip. During 1985, NPTS has achieved a significant reduction in the average cost per prisoner moved. As an example, the average cost per prisoner moved on the NPTS airlift is approximately $200 and the average cost per prisoner by commercial air is $697.

The Marshals Service has acquired small single and multi-engine aircraft to reduce the number of air charters being conducted in certain locations. The projected savings for the Service-Owned Aircraft Program (SOAP) were valid, in that the cost of transporting prisoners by commercial air charters was $897 per prisoner and the cost of moving prisoners via SOAP aircraft averaged $193 per prisoner during 1984. The SOAP aircraft were acquired from seizures (forfeiture proceedings through the U.S. Courts) and surplus from the Federal Aviation Administration (FAA).

During 1986, a total of 142,204 prisoner movements are expected to be conducted, of which 72,603 (51 percent) will be transported by NPTS. A total of 20,947 prisoner movements should be completed by NPTS airlifts (28 percent of total NPTS movements).

Through its jail inspection program, the Marshals Service has rapidly become the focal point for on-site technical assistance for State and local jails. Training materials on conditions of confinement by the American Correctional Association and the American Medical Association are mailed out routinely to district inspectors for use in regional training seminars, and provided to local jail administrative staff for use in upgrading detention policies and procedures. National Sheriff's Association slide presentations on jail operations have been developed and coordinated by Marshals Service headquarters and district inspectors for use in regional jail seminars in such locations as Southern West Virginia, Western Tennessee, Maine, Eastern Kentucky, Kansas, Southern Alabama, and Nebraska. As part of a concerted effort to place increased emphasis on the jail inspection program, two classes to train 90 criminal investigators on the Prisoner Support Program were held in August and October 1985. As a result of this new training program, the level of inspection activity for 1986 is projected to increase 54 percent over the 1985 level. Where staffing resources permit, the Marshals Service has become involved in the review and development of plans for the renovation and construction of local detention facilities. For example, the Marshals Service inspector for the Middle District of Florida was primarily responsible for the development of design criteria for CAP projects in Baker, Union, and Hamilton County detention facilities.

1504

The Marshals Service has continued to expand its highly successful Federal Excess Property (FEP) program for contract detention facilities. Since its implementation in 1982, the FEP program has provided approximately $6.3 million in personal property (the majority of which is consumable property such as clothing, linens, and supplies) to an estimated 287 jails in 71 judicial districts. During the first quarter of 1985, the automated FEP system was implemented and plans are progressing to enable the Marshals Service to provide property acquisition, record updates, and inventory data to the Department's Property Management System automatically.

Program Changes: Historically, the Marshals Service transported prisoners via vehicles, vans, buses and commercial air. The secure movement of prisoners has been a very labor intense and expensive procedure, especially when commercial air was the only viable means of transportation. Flights of this type necessitate that two deputy U.S. marshals move one prisoner. Airline officials feel traveling prisoners represent a clear safety threat to the traveling public, and deputies are not permitted to enter airport terminal buildings or to travel with prisoners in restraints. A number of pilots will not permit deputies to board with weapons, thereby making this mode of transportation very dangerous as well as costly. The NPTS addresses these problems through sophisticated scheduling techniques and the use of alternative modes of transportation.

A product of NPTS is the Service Owned Air Program (SOAP), a program begun in 1984 to coordinate the increased emphasis the Marshals Service is placing on transporting prisoners via seized aircraft forfeited to the government. While this inexpensive means of acquiring aircraft has allowed SOAP to fund flight operations and maintenance through savings in existing budgets, the Service has reached the point of diminishing returns. Unless the air program is expanded, additional savings will not materialize.

In 1987, the Marshals Service is requesting $800,000 in order to operate the Boeing 727 jet it owns, providing Department-wide savings in prisoner transportation expenses. The Marshals Service has taken the lead within the Department of Justice and the Federal Government as the innovator in developing safer, faster, and less costly means of transporting federal prisoners. The Marshals Service has been working to augment this productivity and increase the efficiency of its service to the other Justice agencies requiring the movement of prisoners and detainees.

Within the past several years, the number of FPS and Marshals Service prisoners in the system has increased significantly, as has the number of institutions in operation. The increased population and the need to serve additional institutions are reflected in the number of prisoners requiring transportation and institutional space dedicated to prisoners in holdover status. From 1979 to 1985, the Marshals Service transported prisoners via a leased 50-passenger turboprop. In May 1985, the Marshals Service met with the Bureau of Prisons to determine the most cost-effective method of employing a Boeing 727 (100-passenger) jet, which the Marshals Service acquired at no cost from the FAA. As a result of this task group, aircraft operation costs were determined and new prisoner transportation routes were developed which will significantly reduce the need for holdover space for prisoners in transit. Direct air transportation service to FPS institutions will be doubled. When resumed, the Immigration and Naturalization Service alien detainee air transportation needs could be met through the use of this aircraft. Additional potential benefits include a reduction in FPS medivac costs through the use of litters on the aircraft with prisoner patients attended by a physician's assistant. The aircraft now utilized is adequate for current prisoner transportation needs and will be able to meet the increased population and service requirements expected as a result of full implementation of the CCCA.

In conjunction with the President's continued emphasis on the war on drugs, the OCDE Task Forces will step up their efforts to penetrate and prosecute organized drug enterprises. In support of this effort, the Marshals Service will be required to accomplish 3,700 additional prisoner productions for judicial proceedings. Achievement of this workload will require 15 additional law enforcement positions and $573,000.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized crime drug enforcement..	13	13	$700	13	13	$732	13	13	$732	...	...	...

Long-Range Goal: To participate in the presidentially mandated enforcement and prosecutive effort of the Task Force operation.

Major Objectives:

To promote a coordinated drug enforcement effort in each OCDE Task Force region.

To make full use of financial investigative techniques and forfeiture actions, thereby enabling the government to seize assets and profits derived from organized crime and narcotics trafficking.

To provide an effective liaison between the Marshals Service and the OCDE Task Forces.

Base Program Description: This program provides the funding for the 13 positions and related resources assigned to the regional headquarters cities of the OCDE Task Forces. These cities are: Boston, Massachusetts; New York, New York; Baltimore, Maryland; Atlanta, Georgia; Detroit, Michigan; Chicago, Illinois; St. Louis, Missouri; Houston, Texas; Denver, Colorado; San Francisco, Los Angeles, and San Diego, California; and Miami, Florida. The focus of Marshals Service participation in the OCDE Task Force activity is on coordination of fugitive felon investigations, witness relocation and protection, prisoner transportation, and asset forfeiture in support of the program.

Accomplishments: The Marshals Service plays an essential role in the federal criminal justice system and continues for the second year to support the activities of the OCDE Task Forces through witness security, judicial security, fugitive investigations, international extraditions, seizure and management of forfeitable assets, process execution, and prisoner handling. No specific workload is available, because witnesses, prisoners, warrants, etc. are not necessarily labeled as products of OCDE Task Force activity at the time the Marshals Service receives them. The Service is looking for ways to identify and track OCDE Task Force workload in the future.

Thirteen criminal investigators on site at the Task Force locations provide liaison and coordination between the Task Force and the Marshals Service. They also devote much of their time as fully participating members of OCDE investigative teams.

The Marshals Service, as a whole, is closely associated with OCDE efforts. In 1984, the Marshals Service was required to drastically step-up its support as first-year investigations successfully brought major felons to trial. Many of the cases brought to trial were high risk, dangerous, and expensive. These trials often involved multiple defendants presenting a propensity for violence and disruption of the judicial process. The Marshals Service was able to prevent any serious interruption from incidents such as the following: jury tamperirg; assaults and threats on federal prosecutors; elaborate and expensive escape attempts; and civil disruption in the courtroom. During 1985, the Marshals Service provided protection to approximately 24 witnesses involved in OCDE Task Force cases.

The National Asset Seizure and Forfeiture program of the Marshals Service is providing increased support to OCDE pre- and post-seizure efforts. OCDE seizures--such as seizures of real property and businesses--tend to be more publicized and complicated, for example, the seizure of the Shelbourne Glebe Farm in Loudoun County, Virginia. The new forfeiture provisions contained in the Comprehensive Crime Control Act of 1984 will increase the workload of the Marshals Service by facilitating the seizure of real property and by the addition of new areas of civil and criminal forfeiture law.

As the most experienced federal law enforcement agency in the field of fugitive investigations, the Marshals Service has greatly assisted OCDE. This assistance is provided in fugitive matters where the Marshals Service shares jurisdiction, as well as in cases where the Service would not normally have investigative jurisdiction. In 1985, OCDE generated close to 250 fugitive felon investigations.

Other programs of the Marshals Service that are increasingly affected by the efforts of the OCDE Task Forces are the service of process, movement of prisoners, and the contract housing of those prisoners.

Program Changes: No program changes are requested.

	1986 Enacted			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration...	116	117	$7,476	116	117	$7,737	116	117	$7,737	...	...	...

Long-Range Goal: To address the managerial and administrative requirements in the areas of planning, policy development and direction, budgeting and financial management, and administrative services created by the Marshals Service diverse law enforcement responsibilities.

Major Objectives:

To provide executive leadership and policy guidance to operational and administrative staff in order to operate in an efficient and cost-effective manner.

To ensure that the highest standards of integrity, loyalty, and conduct are maintained among all Marshals Service personnel.

To disseminate information about Marshals Service activities to public officials, agencies, and the general public.

To provide efficient and effective personnel management.

To assess personnel and financial resource needs by program, obtain adequate resources, and manage their utilization.

To maintain an effective Equal Employment Opportunity program throughout the Marshals Service.

To procure and maintain equipment, and fully support district requirements.

1507

Base Program Description: The various activities comprising the Management and Administration program reflect the diverse mission of the Marshals Service and are organized to provide effective managerial guidance and to ensure a high degree of consistency in the application of policies and procedures. This streamlining of staff management functions minimizes the time which line managers in the 94 district offices are required to spend on administrative matters. The activities included in this program are: 1) Executive Direction and Control and 2) Administrative Services.

Through the Executive Direction and Control program area, essential direction and effective management of the Marshals Service is provided to facilitate the successful accomplishment of its operational mission. To achieve this objective, management formulates policies which guide and assist field personnel and headquarters' divisions. Further, this program involves the oversight of such key management operations as the following: 1) responding to members of the Congress, officials of other government agencies, the news media, and the general public; 2) coordinating, reviewing, and making recommendations on legal issues and legislation which will or may have an effect on the Marshals Service's mission; 3) providing financial support and assuring the prompt payment of debts and the collection and deposit of funds due the government by law or court order; 4) maintaining a high level of integrity and competence among Marshals Service personnel; 5) conducting management audits to ensure that district operations are both efficient and cost-effective; and 6) constantly monitoring and improving the Marshals Service's management information systems.

The Administrative Services program area is designed to ensure that staff support services are responsive to the operational divisions, thereby enabling them to accomplish their mission requirements with a high degree of safety, effectiveness, efficiency, and economy. Specifically, this area encompasses personnel management, equal employment opportunity, and the management of other administrative functions including space, transportation, communications, property, and procurement.

Accomplishments and Workload: The workload of the Management and Administration program is presented in the following table:

Item	1984	1985	Estimates 1986	1987
Public information/congressional responses	8,820	9,470	9,750	9,900
FOIA/Privacy Act responses	537	613	737	837
Administrative tort claims and legal proceedings against USMS processed	350	350	370	390
Misconduct allegations investigated by headquarters	95	132	135	145
District and program audits/management reviews completed	19	28	38	38
Preliminary background investigations conducted	...	...	300	300
Personnel actions processed	8,255	15,000	20,000	25,000
Employment applications reviewed	6,400	20,000	17,500	20,000
EEO complaints filed	26	16	14	14
Property and procurement actions completed	8,411	9,220	8,500	9,200
Printing actions	502	742	850	1,000
Major renovations completed	11	21	25	25

During the past year, program managers continued to implement and expand upon a number of major initiatives designed to improve the Marshals Service's ability to perform its mission in a responsible and cost-effective manner.

The Office of Congressional and Public Affairs will continue to work extensively with the Department of Justice and congressional committees toward enactment of a major legislative package designed to modernize the statutory underpinnings of the Marshals Service. Legislative and oversight hearings before the Judiciary Committees of the Senate and House are expected during the year and will require continual interaction between the Marshals Service and Congress. Moreover, intensive efforts to capitalize on opportunities to increase understanding of the Marshals Service and its multifaceted mission by the general public and Congress will be a major activity throughout the year. This activity will include the development and distribution of written material and direct communications with district personnel, State and local criminal justice professionals, news media representatives, and congressional offices.

During 1985, the Office of Legal Counsel provided defense for the Marshals Service in personnel matters and other cases directly affecting the operations of the Marshals Service. Legal defense was also provided in liability suits for injunctive and affirmative relief and monetary claims in the millions of dollars. In 1985, the Legal Counsel staff responded to: 613 Freedom of Information and Privacy Act requests and appeals; 175 tort claims, including 50 employee claims for property damage; 175 matters in litigation, including 75 personnel actions in administrative proceedings and arbitrations; and issued 175 legal opinions.

The Office of the Assistant Director for Inspections expects to complete 145 criminal and administrative investigations on the conduct of Marshals Service personnel, which will result in criminal and administrative sanctions or letters of clearance. This office also extends investigative guidance to management officials who will conduct approximately 45 investigations involving less serious allegations. The Audit Program will continue to operate under the resource utilization and compliance/operational audit, which provides management with the information needed to evaluate field and program management effectiveness and distribution of resources. As a result of these audits, savings were realized through tighter controls on overtime, intermittent deputy hours, guard hires, government vehicles, storage of evidence and seized property, and the collection of past-due fees, earnings and reimbursable items. It is anticipated that approximately 35 district audits and three program audits will be completed in 1987. The Internal Inspections Program will be expanded to include conducting preliminary background investigations as well as providing policy and control over security clearances for all Marshals Service personnel. It is estimated that approximately 300 security clearances and 300 preliminary background investigations will be conducted. The Marshals Service is assuming this responsibility from the Office of Personnel Management (OPM) as a result of a backlog at OPM and a critical need of the Marshals Service for expeditious handling of background investigations. These investigations are essential to continue to employ the type of individual needed for the sensitive positions within the Marshals Service.

In 1985, a new staffing allocation system was developed by the Resource Analysis Division incorporating statistically valid workload indicators as tools in the equitable distribution of personnel resources among the 94 districts. This system was utilized again at the beginning of 1986 in the distribution of additional resources, including those for the "Shadow Work Force" (overtime and non-permanent employee hours). The revised system for collecting workhour data was fully implemented throughout the Service in 1985. This revised workload data collection system was brought on-line during 1986. The conceptual framework for a data system was begun in 1985 and will be developed further during 1986 thus enabling the Marshals Service to better assess the effects of external workload factors on the budgetary and personnel requirements of the agency.

1509

A variety of special projects were undertaken by the Resource Analysis Division in 1985 and 1986 to provide management with an ongoing review of the work of the Service. The collection and analysis of data relating to workload factors which were affected by the implementation of the Comprehensive Crime Control Act of 1984 was initiated in November 1984 and continues through 1986. The Resource Analysis Division also continues in its efforts to identify areas where efficiencies and/or economies could be realized through its participation in the Department's A-76 program.

In the area of Administrative Services, the personnel staff successfully developed and implemented four two-week basic management training seminars. These seminars are required training for all new chief and supervisory deputies. The merit promotion program for specialists was computerized, thus shortening substantially the application procedures for these positions. New recruits in 1984 achieved the highest level of academic scores at the Federal Law Enforcement Training Center of any deputies recruited since 1975.

As a result of a substantial workload increase placed upon operating offices in recent years, the Marshals Service initiated a major recruiting drive in 1985. To accelerate the hiring process, the personnel staff trained over a dozen chief deputies in interviewing techniques, so that interviews can be conducted nationwide as the needs develop. Because of its size, this recruiting effort will have a noticeable and long-term effect on the Marshals Service in the years to come. The Office of Personnel Management has turned over to the Marshals Service OPM's responsibility for maintaining the register of eligible candidates which resulted from the test for deputy U.S. marshal. Since the register is expected to contain several thousand names, this activity will impose a significant increase on the workload of the personnel staff.

In the area of equal employment opportunity, the EEO Advisory Committee, a group within the Marshals Service, met with the Director regularly, and, as a result, compiled a set of affirmative action objectives which included ensuring that managers within the Marshals Service receive EEO training; enhancing the representation of women in law enforcement positions; and eliminating existing underrepresentation of minorities and women in the Marshals Service. Also among the initiatives was the reestablishment of the cooperative education program as an additional means of recruiting qualified minorities for deputy U.S. marshal positions.

Formal complaint activity remains at a level well within manageable proportions, due in part to ongoing management training. Nineteen newly appointed supervisory personnel and twenty-three chief deputy U.S. marshals were trained in their EEO responsibilities. Forty-one collateral duty EEO personnel in both complaints and affirmative action were given enhancement training in their program responsibilities and personnel policies and procedures. Another 35 students successfully completed the recently established ongoing Spanish language training program, designed to enable Marshals Service personnel to communicate more effectively with the public it serves and in turn to perform the Marshals Service's mission more efficiently.

Improvements were also realized in the General Services Support program which has experienced workload increases in the areas of transportation, space management, renovations, and materials management. Program personnel managed over 1,200 vehicles and 367 facilities, monitored over 96 major GSA construction projects, funded 220 minor renovation projects, completed 9,220 procurement and accountable property transactions, filled approximately 13,300 individual requests for stock items, and handled 742 printing orders. The Marshals Service continued a program, begun in 1984, to utilize seized vehicles for official use.

Program Changes: No program changes are requested.

	1986 Enacted*			1987 Base			1987 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Protection of witnesses.....	...	...	$14,235	...	...	$14,891	...	...	$17,511	...	...	$2,620

*The Protection of Witnesses program was part of the Fees and Expenses of Witnesses program in 1986.

Long-Range Goal: To increase the effectiveness of the Department's efforts to combat criminal activity in such areas as organized crime, drugs or narcotics, and murder or conspiracy to commit murder, by obtaining testimony from potentially endangered or threatened witnesses.

Major Objectives:

To obtain testimony which can be used to prosecute persons accused of organized crime or other serious criminal activity.

To protect witnesses and their families when the testimony of the witnesses may jeopardize their personal security.

To compensate witnesses for subsistence costs such as housing, food, relocation, and incidental expenses as provided by the Witness Security Reform Act of 1984.

To provide orientation, documentation and family-oriented services, etc., to new entrants into the Witness Security program.

Base Program Description: The procedure for designating a person as a protected witness is set forth in Department of Justice (DOJ) Order 2110.2 "Witness Protection and Maintenance Policy and Procedures." This order places within the U.S. Marshals Service the responsibility for the security of these witnesses and their families. This program provides for their financial maintenance including the following: subsistence expenses; housing; medical and dental expenses; travel; documentation expenses for identity changes; one-time relocation; costs for obtaining employment; and other miscellaneous expenses. Rates are authorized by the Assistant Attorney General for Administration. The U.S. Marshals Service will continue its development of strategically located safesite facilities to house protected witnesses before and during trials, and the operation of the Safesite and Orientation Center.

Accomplishments and Workload: This program cannot report workload and performance in statistical form. All data reflecting the activities of this program are incorporated in the Witness Security program. A recent General Accounting Office report entitled "Witness Security Program: Prosecutive Results and Participants Arrest Data" (GAO/GGD-84-87) found that upon reviewing 220 case summaries involving the testimony of protected witnesses, 78 percent of the defendants in these cases were found guilty. Eighty-four percent of those found guilty were sent to prison for a median sentence of 4.4 years. These prosecutions resulted in significantly more severe sentences than those received for federal felony prosecutions in general.

For 1983, federal felony sentencing outcomes show that only 16 percent of those defendants received sentences of two years or greater, while 70 percent of the defendants prosecuted with the testimony of protected witnesses received two or more years. The testimony of protected witnesses was also very instrumental in obtaining guilty verdicts and more severe sentences for "prime target" or "ringleader" defendants. In summary, the report found that most cases utilizing the testimony of protected witnesses were very successful.

This activity has also provided sufficient funding to ensure the protection of witnesses willing to testify for the government in all organized crime cases requiring such testimony.

Program Changes: The Marshals Service requests increased funding of $1,820,000 for travel and subsistence expenses to help implement Section 3524 of the Comprehensive Crime Control Act of 1984 and $800,000 to establish two additional Witness Security safesite facilities.

The Marshals Service requests $1,820,000 to provide for more complete implementation of Section 3524 of the Comprehensive Crime Control Act to pay participating witness and child's expenses while visiting her/his non-program parent. Section 3524 of the Act (Child Custody arrangements) states that "The Department of Justice will pay all reasonable costs of transportation and security incurred in ensuring that visitation can occur at a secure location as designated by the United States Marshals Service, but in no event shall it be obligated to pay such costs for visitation in excess of 30 days a year, or 12 in number a year." Implementation will require extraordinary security measures once organized criminal groups become aware of the Department's responsibility of effecting child visitations and the frequency of these visits.

The Marshals Service requests $800,000 for the establishment of two additional safesites. In 1981, the Marshals Service received Departmental and GSA approval to establish secure temporary housing facilities for witnesses returning to New York City for testimony. The costs for renovation of this facility were funded from the Fees and Expenses of Witnesses (Expenses of Protected Witnesses) appropriation, under the provisions of Title V, P.L. 91-452. Based on the successful New York safesite, a second site in Los Angeles was opened in February 1983. Congress approved 1983 funding for a third safesite in Miami which was completed in February 1984. The improved security for protected witnesses and savings demonstrated in command post expenses have been such that safesites are planned for Chicago and Philadelphia in 1987. The Marshals Service will no longer be faced with the extreme security problem of placing witnesses in danger area hotel/motel situations when they return to testify in safesite cities. The existing safesites have drastically reduced the vulnerability of protected witnesses in danger areas. The requested safesites will have state of the art security features permitting the Marshals Service to provide continued maximum security which cannot be offered in the use of hotel accomodations which has been the only past option available.

U.S. Marshals Service

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Fugitive Investigations & Court Orders		Judicial Security		ADP & Telecommunications		Handling of Federal Prisoners		Protection of Witnesses		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:												
GS/GM-13	...	...	1	$37	...	...	...	...	...	...	1	$37
GS-11	41	$1,134	15	345	...	...	15	$396	...	...	73	1,925
GS-9	20	436	...	...	...	...	...	...	...	...	20	436
GS-5	10	144	2	29	...	...	...	...	...	...	12	173
Total positions and annual rate	71	1,714	18	461	...	...	15	396	...	...	106	2,571
Lapse (-)	-17	-428	-4	-115	...	...	-4	-99	...	...	-25	-642
Permanent workyears and comp	56	1,286	14	346	...	...	11	297	...	...	81	1,929
Other personnel compensation	...	280	...	72	...	...	...	112	...	...	...	484
Special personnel services payments	...	...	...	...	...	...	...	...	...	2,620	...	2,620
Total workyears and personnel compensation	56	1,566	14	418	...	...	11	429	...	2,620	81	5,033
Personnel benefits		167		43		...		39		...		249
Travel		601		57		...		121		...		779
Transportation of things		14		3		...		3		...		20
GSA rent		87		15		...		18		...		120
Comm., util. & misc. charges		42		10		...		24		...		76
Printing		14		3		...		3		...		20
Other services		-2,742		27		...		315		...		-2,400
Supplies		87		22		...		188		...		297
Equipment		97		26		1,600		233		...		1,956
Total workyears and obligations, 1987	56	-67	14	624	...	1,600	11	1,373	...	2,620	81	6,150

U.S. Marshals Service

Salaries and expenses

Status of Congressionally Requested
Studies, Reports, and Evaluations

The House Judiciary Committee Report on the Department of Justice Appropriation Authorization Act, 1986 (House Report No. 99-113) requested the U.S. Marshals Service report about implementation of the Comprehensive Crime Control Act of 1984. The report was submitted to the Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice in January 1986.

U.S. Marshals Service

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Judicial Security	1
Fugitive Investigations and Court Orders	2
Organized Crime Drug Enforcement	3
Witness Security	4
Handling of Federal Prisoners	5
Protection of Witnesses	6
Field Support and Training	7
ADP and Telecommunications	8
Management and Administration	9

Program Changes	
Program	Ranking
Fugitive Investigations and Court Orders - program decrease	1
Judicial Security - program increase	2
Fugitive Investigations and Court Orders - program increase	3
Handling of Federal Prisoners - program increase	4
Protection of Witnesses - program increase	5
ADP and Telecommunications - program increase	6

1515

U.S. Marshals Service

Salaries and expenses,

Detail of Permanent Positions by Category
Fiscal Years 1985 - 1987

Category	1985 Authorized	1986 Authorized	1987		
			Savings from Management Initiatives	Program Increases	Total
Attorneys (905)	7	7	...	...	7
Other Legal and Kindred (900-988)	7	7	...	...	7
Criminal Investigative Series (1801-1899)	643	688	...	26	714
U.S. Marshals (082)	1,200	1,200	-6	65	1,259
Other Misc. Occupations (001-099)	5	5	...	...	5
Social Sciences, Economics and Kindred (100-199)	3	3	...	...	3
Personnel Management (200-299)	29	29	...	...	29
General Admin., Clerical and Office Services (300-399)	420	420	...	15	435
Accounting and Budget (500-599)	165	165	..	...	165
Engineering and Architecture Group (800-899)	2	2	...	...	2
Information and Arts Group (1000-1099)	2	2	...	...	2
Business and Industry Group (1100-1199)	73	73	...	...	73
Equipment, Facilities and Services Group (1600-1699)	1	1	...	...	1
Education Group (1700-1799)	3	3	...	...	3
Supply Group (2000-2099)	9	9	...	...	9
Transportation Group (2100-2199)	10	10	...	...	10
Total	2,579	2,624	-6	106	2,724
Washington	134	134	...	...	134
U.S. Field	2,444	2,489	-6	106	2,589
Foreign Field	1	1	...	...	1
Total	2,579	2,624	-6	106	2,724

U.S. Marshals Service

Salaries and expenses

Summary of Adjustments to Base
(Dollars in Thousands)

	Perm. Pos.	Work-years	Amount
1986 as enacted	2,624	2,707	$150,000
Adjustments to base:			
Savings resulting from management initiatives	-6	-6	-150
Transfers to and from other accounts:			
Protection of Witnesses program from Fees and Expenses of Witnesses appropriation	...	...	14,891
Uncontrollable increases:			
Annualization of 45 additional positions approved in 1986	...	12	659
Within-grade increases	...	...	730
Health benefits costs	...	...	49
Federal Employees' Compensation Act (FECA) - Worker's compensation	...	...	418
GSA rent	...	...	3,285
GSA recurring reimbursable services	...	...	13
Postal service increases	...	.	92
Telephone system line charges	...	...	17
Departmental printing and reproduction costs	...	...	5
GPO printing costs	...	...	14
General pricing level adjustment	...	...	773
Total, uncontrollable increases	...	12	6,055
Decreases:			
Federal Telecommunications System (FTS)	...	...	-187
Total, decreases	...	...	-187
1987 Base	2,618	2,713	170,609

1517

U.S. Marshals Service

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives	-6	-6	-$150

Management improvements through streamlining procedures and automation of Witness Security records.

Transfers to and from other accounts:

1. Protection of Witnesses program from Fees and Expenses of Witnesses appropriation 14,891

Uncontrollable increases:

1. Annualization of 45 additional positions approved in 1986 ... ... 12 659

	Approved 1986 Increase	Annualization Required
Annual salary rate 45 of approved positions	$1,259,000	
Less lapse (25 percent)	-325,000	$325,000
Net compensation	934,000	
Other compensation	797,000	290,000
Associated employee benefits	122,000	44,000
Total costs subject to annualization	1,853,000	659,000

2. Within-grade increases 730

This request provides for the additional cost of within-grade increases. This increase is generally consistent with those experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $652,000 and benefits $78,000 = $730,000).

1518

	Perm. Pos.	Work-years	Amount
3. Health benefits costs	...	...	$49

The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1985, the Department's actual contribution to health insurance increased approximately 2.4 percent due to both carrier rate increases and changes in enrollment plans. The requested increase of $49,000 provides funds for increased costs from pay period No. 2 ($79,385) to pay period No. 3 ($81,286) projected for 26 pay periods.

4. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	418

The increase reflects the billing provided by the Department of Labor for the actual costs in 1985 of employees' accident compensation. The 1987 amount will be $1,947,000 or $418,000 over the 1986 base.

5. GSA Rent	...	...	3,285

Beginning in 1987, the Rent System is replacing the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $3,285,000 is required to meet our rental commitment to GSA. The rates charged by GSA for 1987 are 15 percent below the equivalent market rates.

6. GSA recurring reimbursable services	...	...	13

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.5 percent increase of $13,000 over 1986 charges of $289,000.

7. Postal service increases	...	...	92

In 1985, the U.S. Postal Service was granted a 10 percent rate increase for postage. The 1985 impact of 5.8 percent and the full year 10 percent increase for 1986 will have to be absorbed. For 1987, the requested increase of $92,000 provides for a 10 percent increase over the 1985 budgeted base of $920,000.

	Perm. Pos.	Work-years	Amount
8. Telephone system line charges	...	...	$17

Since 1979, the annual cost of operating the Department's current CENTREX II telephone system has increased by 110%. Approximately 85% of the increase is due to tariff changes without enhancement of services. In addition, the current system is inflexible, offers no practical means to control costs and cannot provide the contemporary communications services required by Departmental users. In an effort to obtain cost savings while enhancing operational capabilities, the Department will replace the current CENTREX II system with a modern, nonblocking, digitally based intergrated voice and data Private Branch Exchanges (PBX). Funding of $17,000 for 1987 is required to support one-time costs for installation of the digital switching equipment in various Washington, D.C. buildings, switch site preparation, and retermination of circuits and connector lines. It is expected that an equal amount will be required in 1988 to complete the implementation and to allow for redundancy costs of leasing and operating both systems during the transition phase. A nonrecurring decrease of approximately $1.8 million would be included in the FY 1989 request.

9. Departmental printing and reproduction costs	...	...	5

The Department is currently projecting a 5 percent increase over the 1986 printing cost of $102,000. An additional $5,000 will be required in 1987.

10. GPO printing costs	...	...	14

The Government Printing Office (GPO) is currently projecting a 6 percent increase over the 1986 printing cost of $233,333. An additional $14,000 will be required in 1987.

11. General pricing level adjustment	...	...	773

This request applies OMB pricing guidance as of August 1985 to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to

	Perm. Pos.	Work-years	Amount
supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
Total, uncontrollable increases	...	12	$6,055
Decreases (Automatic non-policy):			
1. Federal Telecommunications System (FTS)	...	...	-187
The FTS decrease reflects the advance billing provided to the Department of Justice by the General Services Administration. In 1987, the uncontrollable decrease of $187,000 will be subtracted from the 1986 base of $1,955,000.			
Total, adjustments to base	-6	6	20,609

U.S. Forest Service

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1986 Estimate		1987 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-6, $72,300	1		1		...	
ES-5, $70,500	1		1		...	
ES-4, $68,700	2		2		...	
ES-3, $66,232	1		1		...	
ES-2, $63,764	1		1		...	
GS/GM-15, $52,262-67,960	50		50		...	
GS/GM-14, $44,430-57,759	100		100		...	
GS/GM-13, $37,599-48,876	80		81		1	
GS-12, $31,619-41,105	218		218		...	
GS-11, $26,381-34,292	862		915		73	
GS-10, $24,011-31,211	1		1		...	
GS-09, $21,804-28,347	865		885		20	
GS-08, $19,746-25,662	39		39		...	
GS-07, $17,824-23,170	123		123		...	
GS-06, $16,040-20,855	168		168		...	
GS-05, $14,390-18,710	93		99		6	
GS-04, $12,862-16,721	13		13		...	
GS-03, $11,458-14,896	4		4		...	
Ungraded Positions	2		2		...	
Total, appropriated positions	2,624	$71,774	2,726	$74,774	100	2,982
Pay above stated annual rates	...	276	...	288	...	12
Lapses	-88	-2,054	-101	-2,368	-13	-314
Net full-time permanent	2,536	69,996	2,623	72,676	87	2,680

	1986		1987	
	Workyears	Amount	Workyears	Amount
Other than permanent:				
Part-time permanent	14	$178	14	$178
Temporary employment	65	879	65	879
Other part-time and intermittent employment	92	1,156	92	1,156
Other personnel compensation:				
Overtime	323	11,996	323	12,821
Other compensation	4	631	4	675
Special personnel services payments	...	1,789	...	19,300
Total, workyears and personnel compensation	3,034	86,625	3,121	107,685
Average ES Salary	$68,366		$68,366	
Average GS/GM Salary	$27,526		$27,615	
Average GS/GM Grade	9.90		9.90	

1522

U.S. Marshals Service

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1986 Estimate Workyears	1986 Estimate Amount	1987 Request Workyears	1987 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	2,536	$69,996	2,623	$72,676	87	$2,680
11.3 Other than permanent	171	2,213	171	2,213	...	...
11.5 Other personnel compensation	327	12,627	327	13,496	...	869
11.8 Special personal services payments	...	1,789	...	19,300	...	17,511
Total, workyears and personnel compensation	3,034	86,625	3,121	107,685	87	21,060
12 Personnel benefits		11,955		12,774		819
13.1 Benefits to former personnel		3		3		...
21 Travel and transportation of persons		15,307		16,259		952
22 Transportation of things		520		616		96
23.1 Standard level user charges		12,329		15,729		3,305
23.3 Communications, utilities & miscellaneous charges		7,067		7,219		152
24 Printing and reproduction		486		525		39
25 Other services		9,437		7,108		-2,329
26 Supplies and materials		2,267		2,727		460
31 Equipment		3,996		6,101		2,105
42 Ins. Claims and Indemnities		13		13		...
Total obligations		150,000		176,759		26,759
Unobligated balance, start-of-year		...		...		...
Unobligated balance, end-of-year		...		...		...
Total Requirements		150,000		176,759		26,759
Relations of obligations to outlays:						
Obligated balance, start-of-year		9,262		16,762		
Obligated balance, end-of-year		-16,762		-25,600		
Adjustments in expired accounts		...		...		
Outlays		142,500		167,921		

Department of Justice

Legal Activities

Support of United States Prisoners

Estimates for Fiscal Year 1987

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	3
Crosswalk of 1986 Changes	4
Summary of Requirements	5
Justification of Program and Performance	6
Summary of Requirements by Object Class	12

Legal Activities

Support of United States Prisoners

Summary Statement

Fiscal Year 1987

For 1987, a total of $58,180,000 is requested for the Support of U.S. Prisoners appropriation. Of this amount, $54,180,000 will be used to pay for the support, housing and safekeeping of unsentenced federal prisoners, probation/parole violators, and alien material witnesses in Marshals Service custody and $4,000,000 will be for the Cooperative Agreement Program (CAP).

The Support of U.S. Prisoners appropriation provides funds for the care, housing, and safekeeping of federal prisoners in the custody of the Marshals Service at a level of subsistence which meets nationally accepted standards for detention and holding facilities. This mission is accomplished through the negotiation and administration of approximately 815 agreements with State and local detention facilities located throughout the United States. The appropriation also supports the Cooperative Agreement Program which is designed to assist the governments of states, territories, or political subdivisions thereof, in the necessary upgrading, physical renovation or construction of their detention facilities in exchange for guaranteed housing for federal prisoners for a specific period of time. This program also provides for the acquisition of excess federal property and technical assistance to State and local governments which provide housing for federal prisoners. The major initiatives and resource requests are summarized below.

Care of U.S. Prisoners in Non-Federal Institutions

This activity is responsible for providing adequate medical and hospital guard services as well as housing and subsistence for federal prisoners in the custody of the Marshals Service. During 1987, this program will require $52,197,000 for jail-day payments at a projected daily rate of $38.38, as well as $1,983,000 for medical care, guards and other expenses.

Cooperative Agreement Program

This program is responsible for funding Cooperative Agreement projects, which will obtain guaranteed housing for federal prisoners in State and local detention facilities in or near federal court cities. At the same time, CAP helps to improve the conditions of confinement in these facilities in accordance with national, State and local detention standards. For 1987, $4,000,000 is requested to be available until expended to fund an estimted eight major CAP agreements with State and local governments.

Legal Activities

Support of United States Prisoners

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Support of United States Prisoners

For support of United States prisoners in non-Federal institutions, [$52,000,000]; and in addition, [$5,000,000] shall be available under the Cooperative Agreement Program until expended for the purposes of renovating, constructing, and equipping State and local correctional facilities: Provided, That amounts made available for constructing any local correctional facility shall not exceed the cost of constructing space for the average Federal prisoner population to be housed in the facility, or in other facilities in the same correctional system, as projected by the Attorney General: Provided further, That following agreement on or completion of any Federally assisted correctional facility construction, the availability of the space acquired for Federal prisoners with these Federal funds shall be assured and the per diem rate charged for housing Federal prisoners in the assured space shall not exceed operating costs for the period of time specified in the cooperative agreement. $54,180,000; $4,000,000

(18 U.S.C. 4001-4003, 4006-4009, 4042, 4082, 4085-4086, 4125, 4282-4283 4285, 5040; Department of Justice and Related Agencies Appropriation Act, 1986, additional authorizing language to be proposed.)

Explanation of changes

No substantive changes proposed.

1526

Legal Activities

Support of United States Prisoners

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in Thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered				
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	H.R. 3 Reduc.	Reprogrammings Pos.	WY	Amt.	Rev. Amt.
1. Care of U.S. prisoners in non-federal institutions	...	...	$53,240	...	...	-$1,240	...	...	$52,000	-$2,236	...	...	...	$49,764
2. Cooperative agreement program	...	...	5,000	...	...	...	...	...	5,000	-215	...	...	...	4,785
Total	...	...	58,240	...	...	-1,240	...	...	57,000	-2,451	...	...	...	54,549

Legal Activities

Support of United States Prisoners

Crosswalk of 1986 Changes
(Dollars in Thousands)

Activity/Program	1986 President's Budget Request	Congressional Appropriation Actions on 1986 Request	1986 Appropriation Enacted
1. Care of U.S. prisoners in non-federal institutions..	$54,200	-$1,200	$53,000
2. Cooperative agreement program.....	5,000	...	5,000
Total.....	59,200	-1,200	58,000

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions

Congressional action included a reduction of $1,200,000 to care of U.S. prisoners in non-federal institutions.

Legal Activities

Support of United States Prisoners

Summary of Requirements
(Dollars in thousands)

Adjustments to base:

	Amount
1986 as enacted	$57,000
Uncontrollable increases:	
During 1985, the actual jail day rate paid was $34.08. Based on trends in jail agreement renewals the 1987 rate will be $38.38	2,107
Increased costs for medical, guards and miscellaneous expenses	73
Total, uncontrollable increases	2,180
Decreases:	
Nonrecurring decrease for the Cooperative Agreement Program	-5,000
1987 Base	54,180

Estimates by budget activity	1985 as Enacted	1985 Actual	1986 Appropriation	1987 Base	1987 Estimate
1. Care of U.S. prisoners in non-federal institutions	$47,921	$45,902	$52,000	$54,180	$54,180
2. Cooperative Agreement Program	10,000	12,238	5,000	...	4,000
Total	57,921	58,140	57,000	54,180	58,

Activity Resource Summary
(Dollars in thousands)

Activity: Support of U.S. Prisoners	1986 Appropriation	1987 Base	1987 Estimate	Increase/Decrease
Care of U.S. prisoners in non-federal institutions	$52,000	$54,180	$54,180	...
Cooperative Agreement Program	5,000	...	4,000	$4,000
Total	57,000	54,180	58,180	4,000

This activity is responsible for providing for the adequate housing and subsistence of federal prisoners in U.S. Marshals Service custody and for funding the Cooperative Agreement Program (CAP) which will generate guaranteed housing of federal prisoners in compliance with acceptable detention standards.

	1986 Appropriation	1987 Base	1987 Estimate	Increase/Decrease
Care of U.S. prisoners in non-federal institutions	$52,000	$54,180	$54,180	...

Long-Range Goal: To provide for the care, housing, and safekeeping of federal prisoners in the custody of the U.S. Marshals Service at a level of subsistence which meets nationally accepted standards for detention or holding facilities.

Major Objectives:

To obtain adequate and sufficient detention space for prisoners in Marshals Service custody.

To improve the health care services provided Marshals Service prisoners held in non-federal facilities.

To ensure that qualified custodial guard services are obtained for prisoners undergoing medical treatment.

To negotiate private sector contracts for the housing of minimum security alien material witnesses and their dependents.

Base Program Description: This program provides for the funding of federal prisoners in Marshals Service custody held for judicial proceedings. The prisoners supported include pretrial detainees, undocumented aliens held as witnesses and convicted prisoners returned to court under new criminal charges or as witnesses. Funding made available in this program provides for payments for the cost of housing in non-federal detention facilities, support services, medical care, guard services, release payments and other related expenses.

The Attorney General, by federal statute, is responsible for providing each individual held in federal custody with reasonable quality subsistence and care. Minimum standards of confinement for prisoners have been established by various federal courts, national accrediting associations and a number of States. Local governments often are required by judicial mandate or State jail inspection authorities to reduce their inmate population to comply with the facility's design capacity. This results in the cancellation or limitation of space available for federal prisoners. As a result, a number of unsentenced federal prisoners have been removed from jails located in metropolitan areas and are housed in either overcrowded federal facilities or rural jails which are often located considerable distances from federal courthouses. Use of detention facilities in outlying areas generates a heavy demand on the Marshals Service in terms of personnel, overtime, and transportation. The Service has lost or been limited in its use of detention space in an estimated 261 jails, 65 percent of which were lost since 1980. There are 131 facilities currently under court order for the unconstitutionality of the conditions of confinement afforded prisoners and 44 percent or a total of 58 of these jails were or are major-use facilities. Some agreements were cancelled by State and local authorities due to increasing dissatisfaction with the large number of clauses required by federal procurement regulations as well as fear of potential personal liability suits being brought against them by federal inmates. Local governments and citizens' groups, while aware and supportive of detention programs, have not been willing to underwrite the cost of building or remodeling jail space which will be used for federal prisoners. A number of local governments have started planning for the construction of new detention facilities and renovations of some substandard jails. However, the planned capacity will be sufficient only for local detention requirements and will not provide guaranteed space for federal prisoners without CAP.

Accomplishments and Workload: The workload of this program is presented in the following table:

Item	1984	1985	Estimates 1986	1987
Agreements in force	791	815	825	835
Number of contract jail days used	1,113,323	1,262,185	1,360,000	1,360,000
Average jail day rate	$32.62	$34.08	$36.83	$38.38

In 1985, the Marshals Service funded 815 Intergovernmental Agreements (IGAs) with non-federal detention facilities, as well as provided funds for medical care and hospital guards for the custody, care and treatment of the 82,390 prisoners received. The 158 jail agreements renewed or modified during 1985 were upgraded to conform to regulations and recommendations made by the General Accounting Office on contract pricing and cost standards. In 1982, the Marshals Service received approval

from OMB to utilize IGAs instead of formal contracts to obtain detention services from State and local governments. The conversion to IGAs has received positive response from State and local governments which, in the past, refused or were reluctant to house federal prisoners. Required documentation has been cut 72 percent, federal administrative workyear requirements reduced 79 percent, local review and processing time cut an estimated 12,000-15,000 workhours a year, and the contract backlog eliminated.

During 1985, $43,016,000 in program funds were expended for 1,262,185 days of inmate housing and over $2,886,000 for guard, medical, and miscellaneous expenses for Marshals Service prisoners.

In order to reduce the pressure on maximum security jails, the Service has continued to negotiate detention contracts with the private sector for undocumented alien material witnesses placed in its custody. Agreements have been issued in California, New Mexico, and Arizona for minimum security detention and adequate child care of these material witnesses and their dependents, who were previously detained in overcrowded jails for adults. The continued success in acquiring such alternative sources of detention space will become extremely important as the Marshals Service material witness detainee population grows as a result of Immigration and Naturalization Service (INS) prosecution initiatives. The 30 percent increase in the number of border patrol officers authorized INS will affect Marshals Service illegal alien material witness detainee levels in 1986 and beyond.

	1986 Appropriation	1987 Base	1987 Estimate	Increase/Decrease
Cooperative Agreement Program.....	$5,000	...	$4,000	$4,000

Long-Range Goal: To provide funding for the Cooperative Agreement Program (CAP) to enable selected State or local governments to renovate or construct detention facilities in order to obtain adequate and sufficient jail space for federal prisoners.

Major Objectives:

To provide funding which will encourage State and local governments to house federal prisoners and to provide conditions of confinement and levels of inmate services which will be in compliance with acceptable detention standards.

To acquire guaranteed detention space in close proximity to the federal courts in order to reduce the drain on Marshals Service resources for in-district handling and production of prisoners and to provide defendants with adequate access to counsel and to the courts.

To ensure that sufficient and adequate detention space will be available to support both the current and the projected increase in federal prisoner population levels anticipated with the Comprehensive Crime Control Act of 1984, and prosecution initiatives by the Immigration and Naturalization Service;

To provide federal excess property to substandard facilities housing federal prisoners thereby improving conditions of confinement at little or no cost to the Federal Government.

Base Program Description: The Marshals Service's Cooperative Agreement Program (CAP) is a negotiated agreement program rather than a grant program. Program participants are selected by the Marshals Service in order to obtain guaranteed detention space in compliance with State, local or national detention standards for federal prisoners in federal court cities where severe detention space shortages are being experienced. CAP allows the Service to enter into cooperative agreements with State and local governments for the necessary renovation or construction of detention facilities in exchange for guaranteed bed space for federal prisoners for a specified period of time. Negotiations are initiated by the Service and the funding levels are established based upon the number of guaranteed beds needed. CAP participants must submit periodic progress reports and their requests for payment are reviewed and approved prior to disbursement by the U.S. Marshal who conducts on-site inspections of work performed. The Federal Government needs such a program to encourage State and local governments to provide essential detention space for federal prisoners if the Marshals Service is to continue to support the federal courts and produce prisoners for judicial proceedings.

Accomplishments and Workload: The workload of this program is presented in the following table:

Item	1984	1985	Estimates 1986	1987
Cooperative agreements awarded	18	19	12	8
Jails under federal court order	118	131	128	125
Jails where federal utilization has been restricted or terminated	251	261	248	240
Contract facilities receiving federal excess property	225	287	325	375

Since its implementation in late 1982, CAP has met with very positive support from State and local governments. The most significant accomplishment for the program is the dramatic stabilization experienced in the loss of contract jail space for federal prisoners. From 1980-1985, the number of facilities which restricted or terminated detention space increased 190 percent (from 90 to 261). From 1984-1985, the Service lost only 10 additional facilities, signaling the beginning of a reversal of the alarming trend of lost jail space. From 1986 and beyond, a decline in the number of restricted or terminated facilities is projected. The 1982-1986 CAP agreements are expected to generate an estimated 3,241 guaranteed

bed spaces for federal prisoners in local jails in 57 federal court cities at a cost of only $55.3 million. This represents an average cost of $17,000 per bed which is well below the national average cost of $60,000 for new construction of maximum security bed space. The $20 million in Jobs Bill funding allocated in 1983 has been instrumental in accelerating CAP's beneficial impact on the local jail space crisis. As of January 1986, a total of $19.3 million in Jobs Bill funding has been obligated for 965 guaranteed beds in 22 federal court cities.

CAP has already had a dramatic impact in helping to resolve serious housing shortage problems in several federal court cities. As a result of the issuance of a federal court order in 1980, the U.S. Marshal of Nevada lost all detention space in the Las Vegas area. State and local detention space throughout the State was unavailable due to severe overcrowding problems. The district was forced to transport its prisoner load approximately 500 miles (one-way) to the Federal Metropolitan Correctional Center in San Diego, California. Deputy fatigue and "burnout" as well as significantly increased transportation and overtime costs were the result. In 1984, the Service was able to negotiate a CAP agreement with Clark County which provided the Marshals Service with 70 guaranteed bedspaces in the county's new $49 million dollar detention facility, and, as a result, the district's overtime has been cut by 50 percent.

In another instance, a lack of adequate contract jail space in the Brownsville, Texas area forced the deputies in the Southern District of Texas to travel as far as 375 miles to the Bastrop Federal Correctional Institute (FCI). At one time, as many as 140 Marshals Service prisoners scheduled for appearance each day in the Brownsville district court were being housed outside Cameron County. Deputies were traveling an average of 15,000 miles and expending 300 hours of overtime each month to produce prisoners for the court, and the U.S. Attorney's office was forced to reduce the number of prosecutions due to the lack of detention space for federal prisoners. A $2 million CAP agreement to acquire 150 bedspaces was awarded and all 150 bedspaces are now being fully utilized and the suboffice's requirements for travel and overtime related to prisoner productions have been reduced 75 percent.

Severe jailspace shortages in the Tampa, Florida area necessitated that 65 percent of that suboffice's prisoner load (an average of 100 a day) be housed as far away as the Hamilton County Jail (located on the northern border of the state) which is a two-hour drive from court. A CAP agreement with the Hillsborough County Jail (located one mile from the federal court building), will provide 50 bed spaces at a cost of $2 million. The CAP agreement will help fund the construction of a new 1,300 bed jail facility, which will be completed in 1988 at an estimated overall cost of $61 million.

The implementation of the Comprehensive Crime Control Act of 1984 (CCCA) has had, and is expected to continue to have, a significant impact on the bed space needs of the Service and, therefore, on the Cooperative Agreement Program. From 1984-1985, the Service's average daily population increased 12 percent, contract jail days increased 13 percent, and the average stay per prisoner increased 12 percent. The Bail Reform Provisions of the Act resulted in fewer prisoners being released on bond or self-recognizance, and in turn, significantly increased the number of bed spaces required each day. Unfortunately, the increased requirement for bed spaces cannot be supported by federal detention facilities which are already 42 percent over their rated capacity.

The Bureau of Prisons reports that the Metropolitan Correctional Centers (MCC's) have experienced a 17 percent increase in their daily population levels since January 1985. The level of overcrowding at federal facilities which house Service prisoners is much higher than the 42 percent average for all types of federal institutions. For example, the Miami MCC

1534

was reported at 166 percent and the New York MCC (male section) at 66 percent over design as of January 7, 1986. Overall, the federal institutions which house Service prisoners are currently 72 percent over their rated capacity. The Service will have to support additional bed space requirements from State and local governments through CAP.

The Federal Excess Property (FEP) Program has proven to be an extremely effective tool for the negotiation of bed space with State and local detention facilities. Not only has the program opened up more jail space for federal prisoners in contract jails, it has helped to prevent the loss of additional jails from the program. The Service has also been able to develop a more cooperative and supportive attitude on the part of State and local officials while at the same time helping to improve conditions of confinement and detention services for federal prisoners in those facilities. The program has also helped to hold down jail day rates in some districts, thereby reducing the Support of Prisoners Appropriation's costs for housing federal prisoners.

A recent survey of the top 11 districts, which account for 56 percent of all property acquisitions, confirmed these program accomplishments. All districts pointed to the significant change in local officials' attitudes, their high level of cooperation in responding to Marshals Service needs, and the prevention of further jail space losses. Fifty-five percent of these districts reported that the program influenced some of their jails to maintain their current jail day rates or request a lower rate of increase than before.

Even though jails throughout the States of Pennsylvania and New Jersey are overcrowded, they are willing to provide bed space for Marshals Service prisoners due in part to FEP. Raleigh County in the Southern District of West Virginia had refused to house Marshals Service prisoners until it learned of FEP participation by Kanawha County. Mecklenburg County in Western North Carolina has agreed to house federal prisoners after many years of refusing to do so due to a desire to acquire excess property. Prior to this development, the district had been forced to house its prisoners at a jail 85 miles away from the federal court. Santa Clara County in the Northern District of California has agreed to house Marshals Service prisoners in order to acquire trailers for minimum security local prisoners. The provision of excess property helped to reopen state facilities in Connecticut and to pave the way for a cooperative agreement with the State.

During the first quarter of fiscal year 1985, an automated Federal Excess Property System was implemented and plans are progressing to enable the Service to provide automated property acquisition, record update, and inventory data to the Department's Property Management System automatically in 1986.

Program Change: A $4,000,000 increase in the Cooperative Agreement Program would enable the Service to continue to improve the quality of care and housing provided federal prisoners in contract jails. The number of jails under court order would be reduced as a result of further use of CAP and the number of major use jails under contract would increase.

An estimated eight CAP agreements could be funded, most would involve cooperative construction to provide long-term guaranteed detention space for federal prisoners. The loss of essential local jail space would continue to be reversed and the number of jails under court order reduced. Further, additional detention space closer to federal courts would be obtained. This program increase is in object class 41.0 entitled, 'Grants, subsidies, and contributions'.

The following judicial districts have been targeted as potential sites for CAP projects in 1987: Northern Alabama, Western Arkansas, Northern California, Southern Georgia, Kansas, Eastern North Carolina, South Carolina, and the Virgin Islands.

Legal Activities

Support of United States Prisoners

Summary of Requirements by Object Class
(Dollars in thousands)

Object Class		1986 Estimate	1987 Estimate	Increase/Decrease
11.8	Special personal services payments...	$1,060	$1,330	$270
	Total, workyears and personnel compensation.....	1,060	1,330	270
12	Personnel benefits.....	15	30	15
25	Other services.....	50,747	52,695	1,948
26	Supplies and materials.....	150	124	-26
41	Grants, subsidies, and contributions.	11,418	4,001	-7,417
	Total obligations.....	63,390	58,180	-5,210
	Unobligated balance, start-of-year.....	-6,390	...	6,390
	Total requirements.....	57,000	58,180	1,180
	Relation of obligations to outlays:			
	Obligations incurred, net.....	63,390	58,180	
	Obligated balance, start-of-year.....	25,474	25,564	
	Obligated balance, end-of-year.....	-25,564	-25,482	
	Outlays.....	63,300	58,262	

Department of Justice
Legal Activities
Assets Forfeiture Fund
Estimates for Fiscal Year 1987
Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985	3
Summary of Requirements	4
Justification of Program and Performance	5
Status of Congressionally Requested Studies, Reports, and Evaluations	9
Summary of Requirements by Object Class	10

Legal Activities

Assets Forfeiture Fund

Summary Statement

Fiscal Year 1987

The Marshals Service estimates that total receipts to the Assets Forfeiture Fund in 1987 will amount to $150,000,000 of which $5,000,000 will be carried forward from 1986. This estimate represents an increase of $50,000,000 in receipts over the 1986 estimate. In addition, the Administration is requesting no change for 1987 to the $10,000,000 appropriation limitation for extraordinary expenses authorized by 28 U.S.C. 524 (c)(1)(B), (c)(1)(E) and (c)(1)(F).

The Assets Forfeiture Fund is designed to ensure that sufficient resources to secure, maintain, and dispose of seized and forfeited properties are available and that the amount realized by the United States from forfeited properties is maximized. This mission is accomplished by making sufficient amounts available from the proceeds from sales of forfeited property and forfeited cash to pay expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure or forfeited under any law enforced or administered by the Department of Justice. Further, this indefinite amount would be available to pay valid liens and mortgages against forfeited property, as well as to pay amounts in remission or mitigation of forfeitures, for the purpose of protecting innocent lienholders' interests and to facilitate the sale of forfeited property on terms most advantageous to the Federal Government. Forfeited cash and proceeds from the sales of forfeited properties are deposited to the Fund, and are made available by means of the indefinite appropriation for these purposes.

The Fund will also be available, to the extent that deposits to the Fund exceed the amounts needed for the so-called "management" expenses described above, to pay awards for information or assistance leading to forfeitures under certain statutes; to pay costs of equipping forfeited conveyances for law enforcement functions; and to purchase evidence of violations of the Controlled Substances Act or the Controlled Substances Import and Export Act.

In the past, expenses related to the seizure and forfeiture of property pursuant to court orders were paid from agencies' salaries and expenses appropriations. To the extent possible, costs were recovered from proceeds of sales of forfeited property. However, there was no guarantee that a forfeiture action would result in the sale of property, or that sales proceeds would cover all costs. Investigating agencies have been reluctant to incur costs that may not be recovered; and have been unable to predict and budget for such costs. These and other budgetary uncertainties have made seizing agencies reluctant to further strain their operating budgets with costs of managing and caring for assets subject to forfeiture. The Assets Forfeiture Fund is a more suitable funding mechanism in promoting proper maintenance and more effective sales of forfeited property and property subject to forfeiture.

Legal Activities

Assets Forfeiture Fund

Justification of Proposed Changes in Appropriation Language

The 1987 budget estimates include proposed changes in appropriation language listed below. New language is underscored.

Assets Forfeiture Fund

For expenses authorized by 28 U.S.C. 524, as amended by the Comprehensive Forfeiture Act of 1984, such sums as may be necessary to be derived from the Department of Justice Assets Forfeiture Fund: Provided, That in the aggregate, not to exceed $10,000,000 shall be available for expenses authorized by subsections (c)(1)(B), (c)(1)(E), and (c)(1)(F) of that section.

(28 U.S.C. 524; Department of Justice Appropriation Act, 1986.)

No substantive changes proposed.

Legal Activities

Assets Forfeiture Fund

Analysis of Effect of Balanced Budget and Emergency Deficit Control Act of 1985
(Dollars in thousands)

Activity/Program	1986 President's Budget Request			Congressional Appropriation Actions on 1986 Request			1986 as Enacted			Funds Sequestered					
										4.3%	Reprogrammings			Rev.
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Reduc.	Pos.	WY	Amt.	Amt.
1. Assets Forfeiture Fund	...	...	$30,000	...	...	...	...	...	$30,000	-$1,290	...	...	...	$28,710

Legal Activities

Assets Forfeiture Fund

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1986 Extraordinary expenses	...	...	$10,000
Management expenses included	...	...	20,000
1986 Revised estimate of obligations	...	...	30,000

	1985 Actual	1986 Estimated Obligations	1987 Base	1987 Estimate	Increase/Decrese
Estimates by budget activity	Amount	Amount	Amount	Amount	Amount
Assets Forfeiture Fund	$2,399	$30,000	$30,000	$35,000	$5,000

Legal Activities

Assets Forfeiture Fund

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Assets Forfeiture Fund	1986 Estimated Obligations	1987 Estimate	Increase/Decrease
Assets Forfeiture Fund.....	$30,000	$35,000	$5,000

This budget activity includes resources for the payment of specific expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property that has been seized or forfeited under laws enforced by the Department of Justice. In addition, resources are included for non-asset management expenses authorized by 28 U.S.C. 524 (c)(1), including payments of awards for information and assistance leading to forfeitures; payments to equip forfeited conveyances for official use; and payments to purchase drug evidence.

Long-Range Goal: To utilize the capabilities provided in the Comprehensive Crime Control Act of 1984 for asset forfeiture as a deterrent to crime; to provide and maintain sufficient resources to carry out the asset management responsibilities associated with all Department of Justice asset seizure and forfeiture initiatives; to provide additional support for investigations and prosecutions through the payment of awards, the equipping of conveyances for law enforcement use, and the purchase of evidence, insofar as funds in excess of asset management expenses are available from the proceeds of the sale of forfeited assets and from forfeited cash.

Major Objectives:

To pay asset management expenses incurred in seizing, managing, and disposing of forfeitable assets.

To centralize management and control of significant seized property decisions affecting valuable and complex assets subject to forfeiture.

To assist in further identifying forfeitable assets by paying awards for information and assistance leading to civil or criminal forfeitures under the Comprehensive Drug Abuse Prevention and Control Act of 1970 or a criminal forfeiture under the Racketeer Influenced and Corrupt Organizations statute.

To equip, for law enforcement purposes, forfeited conveyances that are retained for official use.

To assist in major drug-related investigations and prosecutions by making funds available to purchase evidence of violations of the Controlled Substances Act or the Controlled Substances Import and Export Act.

To promote sound management of cash subject to forfeiture under laws enforced by the Department of Justice by ensuring the timely deposit of nonevidentiary seized cash in a centralized Department of Treasury Fund Account, and by utilizing the Fund to process equitable sharing of forfeited cash with participating State and local agencies.

Base Program Description: This program, which is administered by the U.S. Marshals Service under the policy direction of the Attorney General, provides a single funding source independent of seizing and litigative agencies' budgets for the payment of various expenses of the Department of Justice related to the seizure, detention, forfeiture and disposal of real and personal property, and other illegally owned assets. Most of these assets are forfeitable because they were used in, or acquired as a result of, violations of racketeering and drug trafficking statutes. This program complements the national seized property program within the Marshals Service which has been established to provide a centralized source of expertise, information, and assistance in the management of seized and forfeited assets.

The identification, seizure, and forfeiture of assets are playing an increasingly more important role in the Federal Government's efforts to stop crime and punish criminals. Millions of dollars in assets are seized for forfeiture every year, but a suitable funding mechanism to provide asset management support for seizures and forfeitures and to encourage future asset forfeitures has been absent. A May 1983 study by the Department of Justice concluded that, of all the problems that have hampered the success of the Departmental asset seizure and forfeiture initiative, the most far-reaching was the lack of a suitable funding mechanism to support asset management functions. In the past, seizing agencies have paid maintenance, storage, and disposal costs from budgets already strained with investigative and litigative expenses. While some asset management costs have been recoverable from sale proceeds, the outcome of forfeiture proceedings frequently precludes recovery of all expenses.

The Comprehensive Forfeiture Act of 1984 (P.L. 98-473, Title II, Chapter III) authorized a potent remedy for past funding inadequacies by creating a special Assets Forfeiture Fund for the Department of Justice. By August 1985, the Department of Justice Assets Forfeiture Fund became operational through the Supplemental Appropriation Act of 1985 (P.L. 99-88). Financial management guidelines for the Assets Forfeiture Fund have been promulgated.

The funding requested here will provide an indefinite amount, limited by deposits to the fund, to pay expenses directly related to seizure and forfeiture, i.e., the costs of inventorying, appraising, transporting, warehousing, guarding, managing and preparing for and advertising the sale of seized and forfeited assets. This indefinite funding will pay valid liens and mortgages, as well as any other approved remission or mitigation expenses, since these expenses must be satisfied before the Federal Government can obtain clear title to the property subject to forfeiture.

In addition, it is anticipated that sufficient deposits will also be available for the other purposes specified in the Comprehensive Forfeiture Act of 1984; namely, the payment of awards for assistance or information that leads to a successful forfeiture; equipping, for law enforcement purposes, forfeited conveyances that have been retained for official use; and purchasing evidence of violations of the Controlled Substances Act or the Controlled Substances Import and Export Act. These expenses

General Statement

Mr. Smith. We have with us, the Director of the United States Marshals Service, Mr. Stanley Morris. Mr. Morris, you may proceed.

Mr. Morris. Thank you, Mr. Chairman. I appreciate your willingness to move this hearing from an earlier scheduled hearing, which is helpful to me. As a consequence, I hope my testimony was delivered up to the committee on time. If so, I will dispense with reading it, and make just a few general overview comments, if I may.

I do have with me today the Associate Director for Operations, Mr. Howard Safir; the Associate Director for Administration, Mr. Gary Mead; and Assistant Director for Financial Management, Mr. Shealey. On my right, as you well know—he has been here many times before—Assistant Attorney General Wallace.

Let me just summarize a couple of points. As you point out, we are requesting some 2,724 positions and $176.8 million for the basic appropriation of the United States Marshals Service, which is a net increase of 100 positions and $26,759,000. This is largely driven by workload increases generated by the organized crime drug enforcement initiatives of the Administration as well as some of the effects of increased threats to the judiciary and to the whole criminal justice process, as well as some increases we are requesting to deal with the growth in government process, particularly in the area of debt collection.

In the Support of Prisoners account, we are requesting $58.2 million, an increase of $1,180,000. Our workload, Mr. Chairman, is largely uncontrollable in both of these accounts, that is, it is our job to serve the needs of the federal courts and of the United States Attorneys. Basically in the way we view our job, one of the essential functions is making sure that the federal criminal justice system can operate. The workload increases that we are requesting here are a further effort to try to make sure that we have adequate resources to make sure that the system of justice works.

JUDICIAL SECURITY

I would like to touch briefly on several program areas. First is in the area of judicial security. We have, jointly with the judiciary, put a court security officer program together, which they fund and which we manage. We have on the order of 800 of these officers in place. Court security officers are critical for an important part of judicial security, that is, they control the perimeter. Their job is to make sure that people don't bring weapons into courthouses and do not, in fact, threaten the system of justice. It is a very important component. Although that is not before the committee today, I would be derelict if I didn't point out our strong support for the request of the judiciary in that area.

We find today an increasing threat to the environment of the courts of the United States. We are talking about terrorism around the world. If the truth be known, we have handled three major terrorist trials just within the last couple of months.

The Aryan Nation trial in Seattle cost the Marshals Service $800,000.

We recently provided security for the bond hearings that were held with the Macheteros group, which is an Independista movement in Puerto Rico responsible, allegedly, for a number of terrorist acts, the bond hearings cost us $310,000.

Quite recently, convictions were brought against the May 19 group in Brooklyn, in which Lavasseur and Manning and another four or five individuals were convicted of bombing federal facilities, particularly at military bases. Those trials cost us on the order of $13,500 a week, simply to insure the integrity of the system.

Judge Glasser, who handled that trial, told me that together we were trying to make sure our constitutional system can work in an environment where people would threaten it to the extent not just of assaulting a judge but blowing up the buildings themselves.

As I pointed out last year, threats against judges do continue to rise. Many of them are minor, many are not. We are seeking six positions for an analysis capability. Although the FBI or DDA will provide the information, they don't really provide us the analysis as to whether or not the threat deserves full-scale protection. Obviously, full-scale protection for a judge is expensive, just as the like protection of a President or Vice President is, and we can put it in only those places where it is clearly essential. It is important for us to be able to analyze those effectively.

HANDLING OF PRISONERS

The handling of prisoners, we have made some useful progress in this area since the last time I appeared before your committee. We acquired from the FAA a 727 aircraft at no cost to the Service, which has doubled our capacity and the speed with which we can move prisoners around the United States.

To the extent we don't have to use commercial aircraft the public is safer, and the costs are significantly less. We have moved 9,000 prisoners on the aircraft just in the short period of time that we have had it. We have run, as a matter of fact, a small air system out of Kansas City. The White House and the Department of Justice have been so impressed with it that the Vice President will be giving an award, the President's Management Improvement Award, to that particular program.

I am very proud of what we have been able to do in that area. I would be derelict if I didn't tell you that handling the movement of prisoners is an increasingly serious business. It was only two months ago that I went up to Duluth. Two deputies were both shot in an escape attempt, one of them paralyzed from the chest down. This happened last fall. We are moving an increasingly violence-prone group of people.

It is interesting to note that when we proceeded to move the prisoner, who in fact was the shooter in that case—and he has since been convicted and is back at Marion—to the trial, which was being held at Madison, Wisconsin, we did a full search. In the cell in Chicago, a half a dozen shivs were found as well as a long bar, and we did an X-ray rather than just full body cavity search that we would normally do. In his rectum was found a handcuff key wrapped in a 100-dollar bill.

Every time we move prisoners we put our people in some degree of danger. Obviously, we have to be extremely careful in that area. We have some prisoner escapes in addition to that one, which are of great concern to me. We have recently put screens in the vast majority of our vehicles, because we move a lot of prisoners in cars. We have just one or two particularly in the smaller districts. Although it came at some expense, it was an expense that I felt was more than well deserved, to put screens in the number of cars that we have.

WITNESS PROTECTION

In the witness protection area program, I think that this Committee is aware that in the past it has been troubled, but which I again think we can take some pride in. Complaints and concerns that existed four or five years ago don't exist to the same degree that they did. I think we have a number of controls and protections in today that put many problems behind us. There is no other law enforcement program like it in the Free World. We have been providing guidance and assistance to the Germans, to the Australians, and to other countries as well.

There are two points that bear talking about. None of the organized crime trials all over the United States, which the Department of Justice is having such great success with, would be possible if we didn't protect the witnesses. None of those cases would be able to go forward if it weren't for this very important program. As I say, we take some pride in it.

Just a couple of weeks ago we saw the real importance of it, a very important witness, probably the most important witness in the drug area in the United States, was machine gunned by hit men in Baton Rouge, Louisiana. Mr. Barry Seal refused to enter the program, and was dead within about three months.

In the fugitive area—I won't belabor it—I don't think that there is anybody who tracks down fugitives better than our people do. We made some 6,000 arrests last year, exclusive of our fugitive investigative strike team initiatives. We have gotten more skilled at this job. I think we do it very well.

EXTRADITIONS

One other area of growth is in extraditions. There is a request before the committee. They have doubled from 1984 to 1985, and the kind of extradition we are handling is a lot different. The process of taking Colombians, for example, from Bogota, from Miami and up to New York for trials. Colombians are a unique group, who in fact, as you may recall, within the last six months attacked the Supreme Court offices in Bogota, brought them into hostage, and there was basically a war going on in that area, and by the very kinds of people that we are extraditing out of there. President Betancour has courageously, I think, permitted extraditions, and it has been significant in terms of the security necessary, plus the other kinds of extraditions like Artukovic and Demjanjuk, alleged Nazis who were returned to Yugoslavia and Israel respectively.

SEIZED ASSETS PROGRAM

The final area is the seized assets program. The Congress in August of last year created the Assets Forfeiture Fund. We now have with the new Comprehensive Crime Control Act, which I guess is now 17 months since it has been enacted, we now have a third of a billion dollars in assets. We hope to return to the Treasury upwards of $100 million this year in this program.

We are concentrating on the most complex real property seizures, because that is where the money is. There is a lot of concern, talk about cars and things, but quite honestly, although vehicles make up a good number of seizures, the conveyance part of the seized assets program makes up less than 6 percent of the total value. We are concentrating on such things as condominiums, foundries, recording studios, ranches, and all of that, which, if we can insure that they are effectively managed and effectively use this Assets Forfeiture Fund, we are confident that the net benefits to the taxpayer will be very, very positive, and equally important, a criminal who acquired these goods through his criminal activities will be satisfactorily punished.

Finally, we have managed to simplify in another area. There is a large amount of cash in this business, as this committee well knows, and one of the problems that we have had is that every district and area handled cash in its own way.

We, jointly with the Justice Management Division, established an account in the Treasury Department, and simply by taking the cash and immediately putting it into the Treasury account, we are estimating that we probably will save in interest to the taxpayer this year upwards of $5 million.

I think in general, Mr. Chairman, that we are making reasonably good progress. I think that the modest increases we are requesting here will help us be the professional organization that I know the committee wants. With that, I am prepared to answer any questions.

[The prepared statement of Mr. Morris follows:]

DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

STATEMENT OF STANLEY E. MORRIS, DIRECTOR
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today in support of the 1987 appropriation request for the United States Marshals Service. As you know, Marshals Service responsibilities bridge the Executive and Judicial branches, and affect both the quality and substance of justice served. Whether it be fulfilling a prisoner's right to due process through timely production at judicial proceedings, maintaining a secure and open court environment, or safeguarding members of the judiciary and protected witnesses, the Service protects basic constitutional rights.

Recent initiatives such as the Comprehensive Crime Control Act of 1984 have had a substantial impact on all facets of Marshals Service operations. Our workload and responsibilities have increased accordingly.

For example, implementation of the Bail Reform provisions of the Act means additional cases are now being prosecuted. In 1985, the Marshals Service produced prisoners for over 300,000 court-related appearances, up five percent from the previous year. During this same time, our average daily prisoner population rose 32 percent.

Since many of these prisoners are involved in sensitive proceedings, extra measures are required for judicial security. Last year alone, 3,118 organized-crime figures were indicted. We anticipate that the number of sensitive trials conducted in 1987 will represent a 25 percent increase above the level before passage of the Act.

Likewise, child custody and visitation provisions have resulted in additional witness protection and security measures. And, establishment of the Assets Forfeiture Fund enables us to manage seized assets in an efficient, cost-effective manner, thus maximizing net returns to the Government.

The request before you provides the resources commensurate with these responsibilities. For 1987, we are asking for 2,724 positions and $176,759,000--a net increase of 100 positions and $26,759,000 above the 1986 appropriation. However, only $6,150,000 of this increase represents actual program increases. Every addition results from factors over which we continue to have little, if any, control.

Let me provide you with an overview of the major programs and resource requirements described in our 1987 budget.

Judicial Security

Preserving the safety and integrity of the judicial process remains the Marshals Service's highest priority. Often court proceedings are extremely sensitive and require the dedication of extensive resources. For example, the Marshals Service provided the equivalent of 35 deputies for security at

will be subject to an appropriation limitation. Expenditures from the Assets Forfeiture Fund became available very late in 1985. As a result, the Department does not have the benefit of actual receipts and expenditures from the Fund for a full fiscal year. The Fiscal Year 1986 (Second) Annual Report on the Department of Justice Assets Forfeiture Fund will provide a better basis for projecting Fund expenditures. As the Department gains experience in applying the new provisions of the Comprehensive Forfeiture Act of 1984, it will be easier to project the levels of funds available for the purposes outlined in the Act.

Accomplishments and Workload: The workload of the Assets Forfeiture Fund program is presented in the following table:

Item	1984	Estimates 1985	1986	1987
Number of seizures (administrative and judicial)	...	14,441	15,596	18,091
Number of forfeitures	...	9,675	10,450	12,121
Number of forfeited properties sold	...	4,838	5,225	6,060
Number of conveyances retained for official use	...	750	787	810
Number of conveyances transferred to State/local law enforcement agencies	...	77	525	607
Number of conveyances equipped for official use	...	...	413	455
Number of awards paid	...	...	100	200

Overall, judicial forfeiture actions levelled off in 1985, because of the effect of an increased threshold (from $10,000 to $100,000) under which property can be administratively forfeited by the investigative agency. However, the number of overall seizures for forfeiture by the Department continued to grow.

The complexity of cases intensified in 1985 with a significant increase in major multiple asset seizures, often involving operating businesses and generally involving significant expenses. For example, in the past year, these have included a professional recording studio in California; a foundry in Wisconsin; drug stores in Michigan; and a combination garden shop, plant nursery, and florist operation in Massachusetts. In one operation conducted in 1985, the Marshals Service coordinated the planning and performed the property management functions related to the simultaneous seizure of 47 properties (30 residences and 17 businesses) by 450 law enforcement officers from the Marshals Service, FBI, DEA, INS, Customs, IRS, ATF, and State and local law enforcement agencies. This seizure centered on the assets of one family's nationwide heroin operation.

The number of real property seizures, both residential and commercial, are particularly noteworthy. The number of real properties under Marshals Service control doubled from 130 to 260 in 1985. As of the end of 1985, real property represented the largest single asset category in terms of value. The existence of a reliable and appropriate source of funding to manage and dispose of real property has been a benefit.

The existence of this centralized source of funding to seize, manage, and dispose of properties illegally used or acquired has benefitted the Department by: (1) increasing the number of seizures because concern about funds needed to maintain seized properties during forfeiture actions will abate; and (2) increasing the return to the Treasury upon sale of forfeited assets, by providing for adequate maintenance and optional sales methods.

Program Changes: An increase of $5,000,000 is requested for additional asset management expenses. The $5,000,000 will provide for the ongoing management of seized and forfeited assets which are increasing in value, and for the effective management of new seized and forfeited assets expected in 1987.

Legal Activities

Assets Forfeiture Fund

Status of Congressionally Requested
Studies, Reports, and Evaluations

The Comprehensive Crime Control Act of 1984 (P.L. 98-473) requires the Attorney General to report deposits to and disbursements from the Assets Forfeiture Fund. The U.S. Marshals Service has been assigned this task and began data collection upon appropriation of the Fund. This report was submitted to Congress in January 1986.

Legal Activities

Assets Forfeiture Fund

Summary of Requirements by Object Class
(Dollars in thousands)

Object Class		1986 Estimate Amount	1987 Request Amount	Increase/Decrease Amount
11.8	Special personal services payments.	$1,600	$2,000	$400
	Total.....	1,600	2,000	400
Other objects:				
12.1	Personnel Benefits.....	60	75	15
21	Travel and transportation of persons.....	60	75	15
22	Transportation of things.....	200	250	50
23.2	Rental payments to others.....	50	63	13
23.3	Communications, utilities and miscellaneous charges.....	450	562	112
24	Printing.....	20	25	5
25	Other services.....	26,960	31,200	4,240
26	Supplies and materials.....	600	750	150
	Total obligations.....	30,000	35,000	5,000
	Obligated balance, start-of-year.....	231	5,000	4,769
	Obligated balance, end-of-year.....	-5,000	-5,100	- 100
	Outlays.....	25,231	34,900	9,669

99-584 O—86——50

the Lavasseur-Manning terrorist trial in Brooklyn. Our costs for this proceeding have averaged $13,500 a week. In Seattle, the Aryan Nation trial cost us over $800,000 before completion. Similarly, bail hearings for the Macheteros terrorist group added another $310,000 to our costs. Proceedings such as these tax our resources, both staff and funding, severely.

To respond to these types of situations, we request another 18 positions and $624,000 for improved courtroom security, and for in-depth analysis of life-threatening situations. Last year alone, documented threats against the judiciary increased 57 percent.

Handling of Federal Prisoners

The Marshals Service continues to move prisoners in the most economical and timely manner. Since I last appeared before you, we have improved our prisoner transportation procedures and have acquired, at no cost, a Boeing 727 jet from the Federal Aviation Administration. In 1985, we conducted over 125,000 prisoner movements, half of which were carried out by our National Prisoner Transportation System. The cost of an average Marshals Service airlift is $200 per prisoner, three and a half times less than our average commercial prisoner trip.

Our 1987 request includes an additional 15 positions and $1,373,000 to provide for 3,700 extra prisoner productions for OCDE proceedings and for maintenance of the aircraft.

Witness Security and Protection

The Witness Security program remains the most effective way to protect the rights of endangered witnesses. Nearly 12,000 witnesses and family members have participated in the program since it has been under Marshals Service direction. No one while under our protection has been killed by the group they were being guarded against. Next year, we anticipate accepting another 300 new witnesses.

For witness protection, we are requesting an additional $2,620,000 in 1987, including $1,820,000 to implement Child Custody provisions of the Crime Control Act of 1984. Child custody visits demand extraordinary security measures to ensure the safety of witnesses and family members. Another $800,000 is requested for construction of safesites in Philadelphia and Chicago. Established safesites in New York, Los Angeles and Miami have proven to be the best way to provide maximum security for endangered witnesses, plus reduce costs by eliminating reliance on local hotels. Formerly, this program was part of the Fees and Expenses of Witnesses appropriation.

Fugitive Investigations

Each year the Marshals Service arrests almost 25,000 fugitives, including over 6,000 felons. These arrests are made as a result of our own criminal investigations and on behalf of federal agencies lacking arrest power.

In addition, our "15 Most Wanted" program remains one of the best ways to maintain public awareness of criminals at large

and focus our investigative resources. Since the program started in 1983, 34 individuals on the top 15 have been apprehended, including 19 in 1985 alone.

Another initiative continuing to produce significant results is the Fugitive Investigative Strike Team (FIST). In 1985, FIST 8 resulted in the apprehension of 3,816 fugitives in Florida and several Caribbean and Central American countries. The eight completed FIST operations have yielded over 11,000 arrests, at an average cost of $834 per arrest.

Also, our fugitive extradition responsibilities have become increasingly dangerous and complex. Costs in this area last year were more than twice what they were in 1984, largely because of the need for extensive security precautions and significant amounts of international travel by Marshals Service personnel. Among the criminals we recently extradited are Judy Moeser-White, a member of the Jimmy Chagra drug gang responsible for murdering Federal Judge John Wood; several major drug traffickers operating throughout the Caribbean and apprehended in Columbia; and accused Nazi war criminals John Demjanjuk and Andreja Artukovic.

For 1987, we request an additional 43 positions and $1,943,000 to meet increased OCDE Task Force activity and fugitive extraditions. Workload in these areas continues to increase significantly. OCDE task force initiatives generated over 250 new fugitive investigations in 1985. Similarly, Marshals Service extraditions almost doubled from 1984 to 1985. The extra resources sought are the minimum needed to keep pace with these workload demands. This increase is offset entirely

by a program decrease of $2,850,000 resulting from establishment of the Assets Forfeiture Fund.

Court Orders

Marshals Service responsibility for executing Court orders continues to grow. By 1987 we estimate handling over 533,000 separate pieces of process, a 40 percent increase above the 1985 level.

Our legislative proposal (H.R. 4001) submitted to the Congress last fall addresses changes necessary for improved Marshals Service operations, particularly in the area of executing Court orders. For example, we are seeking authority to charge fees covering the full cost of serving private process. Currently $3 is collected for every piece of private process served and the funds are forwarded to the Treasury. However, the true cost averages $18 per piece and is borne by the Nation's taxpayers through the Marshals Service appropriation. We would like to charge the full cost for such process and use the proceeds to offset our regular appropriation. We estimate savings of at least $500,000 per year if this initiative is implemented. It is one way in which we can keep pace with increased demand and yet reduce costs.

In 1987, we request an additional 30 positions and $840,000 to handle over 200,000 pieces of government civil process. Nearly three quarters of this consists of summonses and complaints stemming from debt collection initiatives. To reach often evasive individuals, most service requires delivery in person.

Organized Crime and Drug Enforcement

Marshals Service personnel continue their significant involvement on the OCDE Task Forces. In addition to providing witness protection, prisoner transportation and court security, they actively participate in drug, financial and other Task Force investigations. Our commitment to Task Force efforts is reflected throughout our program areas. OCDE-related workload increases are directly responsible for our request for additional resources in the areas of fugitive investigations, judicial security, witness protection and prisoner handling.

Management and Support Services

Our district and suboffices need proper support to operate in a cohesive and efficient manner. This means providing a full range of services including policy direction, personnel and financial management, training, procurement, and ADP systems to enhance overall performance by introducing improvements and efficiencies in operations.

For example, the district automated accounting project currently underway will improve collecting and reporting of financial information. The districts process over 150,000 vouchers annually, issuing nearly 250,000 checks totalling $293,000,000. Presently, most districts prepare manual accounting reports which must be re-formatted before entry into an automated system. Under the automation project, districts will enter data directly into an on-line automated system, allowing for more timely and accurate reporting and improved overall financial management.

Similarly, training remains an essential ingredient of the quality of law enforcement. The Marshals Service now has available the most effective, state-of-the-art training program in our history. The dedicated instructors and modern equipment and resources make our personnel among the best trained law enforcement officers in the world. Nearly 2,000 Marshals Service and other law enforcement personnel will enroll at our Training Academy this year, including 480 new deputy marshals.

Other management improvements include the upgrading of our telecommunications system by providing new visual display terminals which allow access to the National Law Enforcement Telecommunications System and other information systems. Installation of secure telephones also helps our enforcement efforts. ADP systems for prisoner management, warrants, and witness security have a significant impact on how these programs are managed. Only through implementation of systems such as these are efficiencies and savings in time and effort realized.

In 1987, we request an additional $1,600,000 to equip new deputies with necessary radios and to accelerate completion of the voice privacy radio system. This is a major part of our continuing effort to provide our personnel with the latest law enforcement equipment. Without voice privacy, operational security and the safety of our personnel and the public could be jeopardized unnecessarily.

Support of United States Prisoners

The request for the Support of United States Prisoners appropriation is $58,180,000, an increase of $1,180,000 over the 1986 appropriation. This includes $2,180,000 for uncontrollable increases, a nonrecurring decrease for the Cooperative Agreement Program (CAP) of $5,000,000 and a program increase of $4,000,000 for new CAP initiatives.

The $4,000,000 program increase in CAP will give us leverage to obtain guaranteed detention space in critical shortage areas. The total number of days of prisoner confinement in local jails is up 21 percent for the first quarter of FY 1986 compared to the first quarter of FY 1985. This trend is likely to continue.

Seized Assets Program

Through the seized assets program, the Marshals Service continues to turn the "fruits of crime" to positive advantage. As lead agency under the National Assets Seizure and Forfeiture program, we provide necessary support and technical services for the management of the Assets Forfeiture Fund and the disposition of assets seized by us and other Department of Justice agencies. The Comprehensive Crime Control Act of 1984 gives us the authority necessary to make seizure of illegal assets and property both a real deterrent to crime and a boon to the Treasury.

Already this program has yielded tremendous results. Through January 1986, the Marshals Service had 3,851 properties under seizure, for a total value of $327,000,000. This included

over $113,000,000 in cash. Among the many properties under Marshals Service management were a professional recording studio in California; a foundry in Wisconsin; drug stores in Michigan; and a combination garden shop, plant nursery and florist operation in Massachusetts.

During only two months of operation in 1985, receipts to the Assets Forfeiture Fund totalled over $27,000,000, of which nearly $20,000,000 was transferred to the Treasury. We estimate receipts of $130,000,000 in 1986 and $150,000,000 in 1987, as the success of this program continues.

Conclusion

In summary, I want to emphasize our commitment to maintaining the balance in the criminal justice system necessary to preserve both the rights of the accused and the safety of the public. A society is measured by the quality of its justice. It is our job at the Marshals Service to ensure this quality is not strained. With the resources presented in this request, we are confident we can fulfill this obligation.

This concludes my prepared statement, Mr. Chairman. I shall be pleased to answer any questions the Subcommittee may have.

HANDCUFFS

Mr. SMITH. You mentioned a handcuff key. Are all handcuff keys the same?

Mr. MORRIS. They are all the same for each model of handcuff. If you have a Peerless handcuff, one particular key will work.

Mr. SMITH. How did the prisoner know he was going to have that kind of a handcuff?

Mr. MORRIS. Because basically that is standard issue.

Mr. SMITH. So you essentially are saying there is one key for all handcuffs?

Mr. MORRIS. That is right. The other problem with the particular Peerless cuff—I don't want this to get out too broadly in the criminal world, but you don't need a handcuff key. A person who knows how these things work can get out with a paperclip. We are quite concerned about that.

Mr. SMITH. You would think there would be some way you could get around the possibility of even having one standard key.

Mr. MORRIS. That raises all the problems of passing prisoners from one group to another. What we would like to do is come up with a cuff that requires that key with a certain double locking mechanism, and then basically cuffing people in ways that insure that they can't get to it.

Mr. SMITH. If you had five different keys, it would be easier for a marshal to carry five keys than it would for prisoners to have five keys.

Mr. MORRIS. That is true. We are looking at a range of options, Mr. Chairman.

PRISONER TRANSPORTATION

Mr. SMITH. You mentioned a Boeing 727. How many prisoners do you transport per trip?

Mr. MORRIS. It varies. We keep it pretty full. It is running I think about 75 to 80 a trip.

Mr. SMITH. That many prisoners per trip?

Mr. MORRIS. Yes, sir. The other thing that it does for us is because of its speed, we can keep it located in Oklahoma City. We have worked out an arrangement with FAA, because, although we in the Marshals Service have a lot of skills, flying 727s and taking care of them is not our area of expertise. The FAA has worked out an arrangement with us by which they have taken over the maintenance of it, so we are sure that it is as safe as it can be made.

Mr. SMITH. Since you have been doing this, have you had any studies to indicate that this is a more efficient way and a cheaper way to do it than under contract, for example?

Mr. MORRIS. Yes. We did have a contract, and I have to check here. The savings on that were significant.

Mr. SAFIR. Howard Safir, Associate Director for Operations.

With the 727 we are moving prisoners at less than half the cost than we did when we had contracts with Sierra Pacific. Per seat-mile, depending on the flight—for instance, we moved over 2,200 prisoners in the month of January on the 727, and it cost us $60 per prisoner moved.

Mr. SMITH. On your return trips, I assume it returns empty?

Mr. MORRIS. No. We have got a system by which it travels around, and it is less full sometimes, but we have no deadheading. It is located in Oklahoma City, where the El Reno FCI is. There is a need right there.

ORGANIZED CRIME

Mr. SMITH. You mentioned the additional emphasis on organized crime and drug enforcement, and you are asking for additional positions in 1987 for that purpose. Will this additional emphasis on organized crime drug enforcement affect your other responsibilities? Is this just an add-on or are you also going to affect other responsibilities?

Mr. MORRIS. No. Basically, if I understand your question correctly, Mr. Chairman, what we are doing is we are in the process of catching up. When the organized crime drug enforcement initiative was begun several years ago it was focusing on investigations for prosecution. Now that those cases are coming into line increasingly, that is affecting our workload. That is affecting judicial security, that is affecting the fugitive workload and the like. What we are trying to do with this increase, basically, is to respond to those workload increases. The Marshals Service only received 13 positions of the fifteen or sixteen hundred were granted initially.

Mr. SMITH. Will this request you have in now catch up with that?

Mr. MORRIS. Yes, sir.

GRAMM-RUDMAN REDUCTIONS

Mr. SMITH. Tell us now about sequestration, what effect that has had on your operations and how you expect to handle that.

Mr. MORRIS. We are not fully to the other end of that dilemma, Mr. Chairman, quite honestly. I have written to every chief judge, explaining what some of the consequences might be. Obviously, anything that we do affects other people. Almost everything that the Marshals Service does affects the courts, the prosecutors, investigations and the like.

In the area of our basic functions, judicial security, production of prisoners and the like, I met as recently as yesterday with the Chief Justice, Judge Kauffman, and with the Deputy Attorney General, trying to work out ways that would avoid any negative effects on the courts, which is possible if we are not very careful. I think the Department is looking at ways that would basically assist us over the next six months or so, so that we don't cause any significant disruptions. We have laid out some reductions in overtime, in travel, and in the use of temporaries.

Those may not sound significant, but we are running so close to the edge in this area that reductions in those areas could have a negative effect on the courts, and the Chief Justice is quite concerned about that and is trying to work it out.

In the other account, the support of U.S. prisoners, we may have a significant problem there, because of the reduction that the sequestration took. As you know, that account is uncontrollable, as we simply pay what I refer to as the local monopolist, that is, the sheriff. He has got the jail. We don't have any alternative. We basi-

cally pay the daily rate, $25, $35, $50, $75 a day, whatever that amount is. Whatever prisoners come into our custody we put into that jail. He bills us and we pay the bill. We may have a potential deficiency problem in that area. If it looks like that, we will get back to the committee.

Mr. SMITH. Mr. Early.

Mr. EARLY. Thank you, Mr. Chairman.

So you don't anticipate any RIFs or furloughs due to the sequestration?

Mr. MORRIS. Not at this time, Mr. Early.

COURT SECURITY

Mr. EARLY. Do you rent or have contract guard services? We had that problem a few years back.

Mr. MORRIS. We have taken care of that, particularly in the security officer program. There had been significant problems in this in the past, but in the court security officer program we have a set of standards which we think is unequalled, particularly in the security guard force. We have standards for physical fitness and education. We require all of the people who enter that program to have successfully completed a law enforcement training program. The vast majority are former police officers, retired police officers or others, and it has worked quite well.

Mr. EARLY. How can you use a retired police officer? What is your age restriction?

Mr. MORRIS. There are no age restrictions. Basically, they are guards at the gates. The advantage from our standpoint is that many police officers, as you probably know, retire at 48, 50, 52, and this is usually a second income for them; so that the quality of our court security officers, in Foley Square or in Boston or elsewhere, is very good since many of them are retired Boston police officers and the like. Because it is a contract guard, and because they are simply providing security at the entrance to the courthouse, the age concern is not as significant as it would be if it were a deputy U.S. marshal.

Mr. EARLY. Are your personnel eligible for the uncontrollable overtime?

Mr. MORRIS. No. All our overtime is scheduled.

Mr. EARLY. Do you pay overtime?

Mr. MORRIS. Yes, we do, and one of the steps under Gramm-Rudman that we are looking at is basically eliminating that overtime. But because of this jail crisis we have in the country, we have long distances to move prisoners, so that if we don't pay our people overtime, the prisoners won't be in court until 10 or 10:30 and they have to leave at 3:30 or 4.

The Chief Justice very ably pointed out to me, and the Deputy Attorney General yesterday, that is not the time the courts open. Although that may save us overtime, that would obviously push costs onto the courts in terms of extra jury days, court reporting, and the like.

Mr. EARLY. You don't have any compensation time available, or something like that?

Mr. MORRIS. We do, but in limited circumstances.

SEIZED ASSETS

Mr. EARLY. I understand that you have $113 million in cash from seized assets.

Mr. MORRIS. Yes.

Mr. EARLY. In banks?

Mr. MORRIS. No. Just before you came in, Congressman Early, I mentioned that we have just established an account with the Treasury Department, so when we get that cash, it immediately goes into this Treasury account, and that is basically an offset to borrowing by the Treasury. That is the way they look at it. We look at it that we are getting the best rate that can be gotten, which is Treasury bill interest rates.

Mr. EARLY. What would prevent the Chairman—because of the deficit, Gramm-Rudman-Hollings and everything else, from giving you a one-year appropriation of your entire budget out of that money in the Treasury?

Mr. MORRIS. You might create some interesting incentives in terms of seizure.

Mr. EARLY. No, I am proposing trying this for one-year, just for this fiscal year, because I just don't understand how we can even suggest that you can absorb this sequestration. We are expanding your role. We have got you conducting investigations, we have got you moving every prisoner, we have got you doing more and more things. Let someone under your jurisdiction escape and you are going to be criticized. It is not going to be accepted that you had to reduce your staff.

A few years ago, I don't know if it was the U.S. Marshals or the Bureau of Prisons—but they had a rent-a-cops—in Connecticut and Massachusetts. But this fellow was able to kill two people and rob several more banks.

Mr. MORRIS. It wasn't us.

Mr. EARLY. It was not you?

Mr. MORRIS. No. If you are suggesting, Congressman Early, that we would run our agency off budget, I think we probably could. We have got some legislation up here that would permit us to retain fees for the service of process. We are supposed to be out of civil process, however, we serve about 26,000 pieces of private civil process, personally, a year. We take that, plus this program, plus admiralty fees and the like. We could operate quite well off budget.

Mr. EARLY. Do you use any of your seized properties for any of your witness programs?

Mr. MORRIS. We haven't. We have not done it for the witness program yet. I am not quite sure what our authority is in this area. I know that we can't pay to retrofit, like the FBI and DEA can, seizing a vehicle, an aircraft or something. We can't pay to fix it up out of the fund, but we have not pressed into service, and mostly what we are getting are not the kinds of things that would be helpful to pressing into service for the witness program. I think what you are suggesting is houses and the like.

Mr. EARLY. Well, for example, if you own a ranch somewhere--

Mr. MORRIS. We have not done that, although if we have the authority it is something we should look at.

COURTHOUSE CONSTRUCTION

Mr. EARLY. What about new courthouse construction or rehabilitation. Do the Marshals have any input regarding security?

Mr. MORRIS. Yes. Of course, most judges are increasingly security conscious, we have people who are expert in court security design, who will work with the GSA and with the courts in designing, and in most cases it works quite well. From time to time we end up losing security arguments with the judiciary, because, of course, it is their money. But, yes, we are involved in the security design of most of the new courthouses and rehabilitations. Such things as holding cells and the use of nonpublic corridors and separate elevators so you can move prisoners and witnesses outside of the sight of the public.

RECRUITMENT AND TRAINING

Mr. EARLY. These new people that you talk about recruiting, what is your starting salary?

Mr. MORRIS. A GS-5 is about $14,000.

Mr. EARLY. What is your minimum education standard?

Mr. MORRIS. About three-quarters have college degrees. The rest have college plus related law enforcement experience. We are getting a very high-quality recruit.

Mr. EARLY. Do you have an established list of requested positions?

Mr. MORRIS. I am not sure I understand the question.

Mr. EARLY. Do you have a list of new positions that you would like to see the Chairman approve?

Mr. MORRIS. Yes, we have established—as a matter of fact, we are still in the process even with the sequestration, and trying very hard not to freeze the hiring, because as you know, this Committee gave us a supplemental last August, and another increase in December, and then immediately the sequestration came into effect. We have got scheduled times at our training academy, and we have got each of those classes filled. It would be very difficult for us, and it would be I think in the long-term very unwise, to freeze that activity. The test has been taken and we are basically peeling the people off the top of the list and interviewing them.

Mr. EARLY. I have problems with understanding how you recruit somebody at $14,000 and then ask them to assume these responsibilities. For your training, what facilities do you use?

Mr. MORRIS. We use the Federal Law Enforcement Training Center at Glynco, Georgia.

Mr. EARLY. And who manages it?

Mr. MORRIS. The Treasury Department manages it, but almost all federal law enforcement agencies except the FBI and DEA use it to one extent or another.

Mr. EARLY. How extensive a training course is that timewise?

Mr. MORRIS. Thirteen weeks. That is all day and all night for 13 weeks. We house them down there. I believe that there is no better training provided in law enforcement than what the Marshals Service is giving to their people.

JUDICIAL SECURITY

Mr. EARLY. In your opinion, particularly in light of the dramatic increases that the Judiciary is requesting, and the fact that there are documented threats against the Judiciary which have increased almost 60 percent in the last year, do you feel this budget adequately meets your needs?

Mr. MORRIS. Yes, I think it would, especially in these particularly austere times. One of the things that we are requesting is resources specifically to analyze a lot of these threats, so that we can make sure that we are being as smart as we can possibly be for deploying protection for judges whenever a threat occurs.

On the other hand, there has not been a day since I have been Director of this agency in which we have not had a federal judge somewhere in the United States under 24-hour protection.

SEIZED ASSETS

Mr. EARLY. A final question. Tell me why we have 3,851 seized pieces of property. I would assume that we should be able to sell some of them.

Mr. MORRIS. There are two things. Yes, we have been pushing very hard. The seizure is the easy part, when you go out and you get the warrant. It is a little like an arrest. You basically arrest the property, but the property, particularly its owner, of course, have certain rights before in fact it is forfeited to the United States for disposal. So that while we may seize it now, we may not be able to dispose of it for a year, a year and a half, until the litigative process comes to a conclusion.

Mr. EARLY. Can you tell me of the 3,851 pieces of property could have been sold this year? I don't ever see you selling them.

Mr. MORRIS. Oh, yes.

Mr. EARLY. Why don't you supply for the record what you have sold over the past two years, so that we can see the number of seized properties as of January 1 of the last 3 years, and what it was at the end of the year, what the new ones acquired were, and what were sold.

Mr. MORRIS. I will do that.

[The following information was submitted:]

SEIZED ASSETS DISPOSED

The Marshals Service's automated management information system collects and reports information about property seized for forfeiture by United States Marshals and the system is in the development stage and it does not contain the data for the past three years. The individual records are maintained manually at the district level. However, the data for the first five months of this fiscal year is available and is listed below by the category:

Property category	Number disposed	Number seized
Aircraft	7	12
Vessels	30	9
Cash	116	143
Financial instrument	7	38
Electronic equipment	14	25

—Continued

Property category	Number disposed	Number seized
Foodstuff	18	18
Weapons	38	6
Real property	44	106
Jewelry	10	11
Laboratory equipment	7	5
Animals	3	4
Business		6
Art, antiques	4	
Miscellaneous	29	45
Vehicles	84	194
Totals	411	622
Value	$22,153,411	$56,014,660

SEIZED PROPERTY IN MASSACHUSETTS

Mr. EARLY. Didn't you just seize a piece of property in Massachusetts—a plant nursery or a florist?

Mr. MORRIS. Yes.

Mr. EARLY. Where in Massachusetts?

Mr. MORRIS. On the Cape.

Mr. EARLY. How long do you expect to have that?

Mr. MORRIS. We are trying to get, in that case as I recall, an interlocutory agreement with the court, which would allow us to sell it immediately. I don't know what the latest report on that is, but up to a week or a week and a half ago it was before the judge.

SEIZED PROPERTIES OF PROTECTED WITNESSES

Mr. EARLY. One final question. On any seized properties and the people that you put into your witness program—why wouldn't they be told to sign off on anything they own in the effort to circumvent this year's delay?

Mr. MORRIS. They are not really the problem, because most of that is included in a plea. Most of these people have pled with the United States to provide certain testimony, and in those pleas is often included the forfeiture of goods and the like.

I don't think it would probably be wise to seize all or some of their assets, because that program, as you know, involves redocumenting them, and in many cases providing them subsistence, paying them a thousand or $1,500 a month while we try to get them a job. It wouldn't be in the interests of the United States, I think, to seize whatever goods they had and turn around on the other hand and pay them.

Mr. EARLY. Do people who are out of jobs maintain these properties? Are you responsible for maintaining these properties?

Mr. MORRIS. Yes.

Mr. EARLY. Who do you use to maintain them?

Mr. MORRIS. Contract that out.

Mr. EARLY. Why not give it to them?

Mr. MORRIS. Quite honestly, I think it is a creative suggestion. The only concern that we would have to take into account is obvi-

ously if we have a former witness out providing security around a foundry or something, which is owned by a crook, and that crook probably has friends who came in and it might in fact blow the cover on the witness. But other than that, I certainly don't have any problem with the concept.

Mr. EARLY. So, you have properties in different states?

Mr. MORRIS. That is absolutely true.

Mr. EARLY. Would you provide for the record a list of those seized pieces of property. I would imagine that is an extensive but available list.

[The information follows:]

LIST OF SEIZED PROPERTY

The report indicates that 3,931 seized properties were on hand as of February 28, 1986, or an increased of eighty (80) properties since we reported to you that we had 3,851 properties on hand.

Tabulation of properties on hand, seized, and disposed from October 1, 1985 to February 28, 1986 by property category.

Property category	On-hand at beginning of time period	Disposed during time period	Received during time period	On-hand at end of time period
Aircraft	71	7	12	76
Vessel	116	30	9	95
Cash	776	116	143	803
Financial instrument	113	7	38	144
Electronic equipment	106	14	25	117
Foodstuff	87	18	18	87
Real property	475	44	106	537
Weapons	176	38	6	144
Jewelry	103	10	11	104
Laboratory equipment	65	7	5	63
Animals	30	3	4	31
Business	28		6	34
Art, antiques	32	4		28
Vehicle	1,016	84	194	1,126
Miscellaneous	526	29	43	542
Total	3,720	411	622	3,931
Value (in thousands)	$290,780	$22,153	$56,015	$324,642

WORTH OF SEIZED PROPERTY

Mr. EARLY. Thank you, Mr. Chairman.

Mr. SMITH. Have you seized any property that you have had to pay someone to take off your hands?

Mr. MORRIS. Yes.

Mr. SMITH. How often does that happen?

Mr. MORRIS. It is going to happen a lot less often in the future, but what happens, what has happened in one case, for example, we seized a property which was a ranch in Texas, and proceeded to manage it, and in the court process that the defendant made against the United States, it was discovered that in another case in another state, Florida, that the jury at least determined that the United States had foregone its right to seize it, because of a preexisting plea agreement.

So, although we invested this money in time and attention to some degree trying to make this ranch work, we may have to give this finely run ranch back to the defendant as soon as he returns from the Eglin Federal Correctional Institution.

Mr. SMITH. Have you seized any property that turned out to be worthless?

Mr. MORRIS. Yes.

Part of our problem here early on in the program, I don't think this is a major concern, but we have had a number of discussions at the Department of Justice with Mr. Wallace and with the Deputy Attorney General and others. What we have got to do, just like early problems in the witness program, we have got to make sure that the marshals out there, who are interested in making sure that money comes back to the taxpayers, and the interests of the prosecutors, which is to seize the defendant's goods, there is a lot of consultation, a lot of pre-seizure planning, just as with an arrest.

So that we know, for example, that running off and seizing a house, which might look good in a press release, we seized this house, but the fact that there is a 90 percent mortgage on this house, and it is being used as a drug dealer's hovel of one sort of another, and therefore is not really worth anything. If we seize it and fix it up in some of these neighborhoods we will end up putting $15,000 into it and getting $5,000 back. That is not a sensible seizure.

To deal with that, we have to make sure that that seizure makes sense. We are in the process of issuing a new set of instructions out to the U.S. attorneys just on that one point.

Mr. SMITH. Mr. Dwyer.

Mr. DWYER. Along those lines, don't you do a title search before you decide to seize?

Mr. MORRIS. We do that now. We have not always done that.

ASSET LIQUIDATION

Mr. DWYER. I am sorry I am late, Mr. Chairman. I was engulfed by that crowd out in the hall. I thought I was in the witness security program.

I am sure that this is on the record someplace, but how do you liquidate real estate holdings? What is the process?

Mr. MORRIS. It depends on what the holding is. If it is a 1980 Chevy Citation——

Mr. DWYER. No, no, I am talking about real property, real estate I should say.

Mr. MORRIS. We basically go through people who are skilled in that. We go through a real estate firm, and they will market it just like they would market any other house. If it is a more complex piece of property, we may go to Sotheby Parke Bernet, for example, with oriental rugs or Tiffany lamps. We have used coin people, because there are, interestingly enough, a lot of coins that people have acquired. That is the nature of the drug business, I guess, and we rely basically on people who are the experts to make sure that we get the very best value possible.

Mr. DWYER. I guess they overcome the storage problem when they buy coins and stamps.

Going right back to real property, homes, land, is it all liquidated by way of auction, or do you just in some cases give a listing to a local broker and he establishes a value?

Mr. MORRIS. We will do it any way we assess will return the best investment. We are not really bound by any particular approach, and because we now have the Assets Forfeiture Fund, we can pay money in advance both for the management and for the disposition. That basically works out to the taxpayer's benefit, because if you can just pay somebody an auction fee or something rather than having them necessarily take a large chunk of the final return that is in the best interests of the government.

Mr. DWYER. It seems to me that the best interests of the government are served when evaluations are established by two or three appraisers and then a public bidding held with a minimum set price and things of that nature. Are they your normal guidelines?

Mr. MORRIS. Yes, that is essentially what we do. Now, in some cases we will rely on the GSA, for example, which is taking care of disposal of vehicles in some areas.

Mr. DWYER. They have a poor track record in my opinion in disposal of real property.

Mr. MORRIS. We are not using them in that area.

Mr. DWYER. You may have addressed this—excuse me—

Mr. SAFIR. Generally the real property that we have been selling, which we have been doing just by the process you describe, has been selling at above the appraised price.

Mr. DWYER. That is my experience too with property. The price is set and you want as many bidders there encouraging each other on.

Mr. SAFIR. Especially in southern Florida, where we have seized a lot of real property. Most of the property we have sold down there has sold above the appraised value.

Mr. DWYER. I have a strong feeling that most of the real property that you seize is probably pretty nice property, except the experience with the horse ranch. I think that most of these people who are on the other side of the law have pretty good taste other than interpretation of the law.

Mr. MORRIS. At least they have a lot of money.

AUTOMATION

Mr. DWYER. Maybe the question has been asked already, Mr. Morris; if it has, why, then we will just go on. This morning on the CBS Overnight program you were talking, stating that you are not as fully automated as you would like to be. Do you want to speak to that for a moment?

Mr. MORRIS. Did I say that?

Mr. DWYER. Yes.

Mr. MORRIS. You know those morning interviews. Well, we have in fact—part of this, as I mentioned in my opening remarks, we are an agency that largely doesn't control its workload. That is, if the U.S. Attorney wants to go out and make a series of seizures, we make a series of seizures. There were problems out in Chicago. A

major case comes down, prisoners come into our custody, all of these kinds of things.

What has happened to us consistently every year is we have not had enough monies as we have gotten to the end of the year, and our systems support has been eaten up by payments to do these other things. We do not have many minicomputers in the districts because we have had to pay for trials and other kinds of things, which quite honestly at that particular time were more important, so our infrastructure suffers.

The Department has supported increases in a number of areas, particularly in our districts, where we handle a quarter of a million checks a year, accounts like that, the management of hundreds of thousands of pieces of process. All of those lend themselves to efficient use of ADP systems, and yet too many times we are basically using old-fashioned logbooks that look like some of the logbooks my historian has shown me from back in the 1830s. So I think that if we can receive the request we have asked for here, we will be able to continue our program to improve our ADP capabilities.

Mr. DWYER. Thank you. Thank you, Mr. Chairman.

JUDICIAL SECURITY

Mr. SMITH. You have some money and some positions in the request for judicial security, and the Judiciary also has funding for judicial security. Why do you have two separate programs? Is there an overlap?

Mr. MORRIS. No. The money that is in the judiciary's budget is specifically for the protection of the facility and the perimeter, a responsibility that heretofore was provided by the General Services Administration. But a couple of years ago the courts felt that they were not receiving adequate security and they didn't believe that GSA were the best security people when it came to courthouses.

As a consequence, they established a program which they fund, and we basically manage. That program is designed to provide perimeter security; that is, at the doors, garages and entrances to the building and the systems necessary to insure that neither weapons nor noticeably violent type of people enter. It has worked quite well. For example, in the last couple of weeks, a gentleman entered Foley Square courthouse in New York with a loaded shotgun and a pocketful of shotgun shells and a loaded .22 caliber semiautomatic pistol. The security officers found him heading for the judge.

In the past, maybe he would have been able to penetrate the barrier, but that is what that program is designed to prevent. The program that the Marshals Service funds is providing security in the courtroom itself. They are there with the prisoner responding to the individual threats against the judges, not the facilities security, which is of course what the other program is intended to do.

Mr. SMITH. How are deputy marshals assigned to the courtroom?

Mr. MORRIS. They are assigned by the supervisors who get a list of upcoming trials.

Mr. SMITH. Your supervisors?

Mr. MORRIS. Our supervisors. They get a list of prisoners coming up that particular day, criminal trials where there is the possibility

of a violent situation. We provide a deputy. They are always there when prisoners are in custody, and they are there most of the time if it is a criminal proceeding.

For example, for many of the organized crime cases in New York, a large number of the people who are before the court are not in custody, but they are organized crime people and so we provide the security presence to the judicial process.

BASIC TRAINING

Mr. SMITH. You have got quite a fluctuation with regard to the basic deputy marshal training. It rose 55 percent in 1985, up another 158 percent in 1986. There is now a decrease of 50 percent in 1987. Why do we have such wide fluctuations?

Mr. MORRIS. I believe that the most important thing that I can do for the safety and quality of my work force is training. We have cut a lot of other things down in order to do that. I tell my people the most important weapon a police officer and the deputy marshal have is not the one on his hip but the one between his ears. Although they spend a lot of time out on the range, which is valuable, what is important is this other tool here.

That reduction I suspect is not a reduction in training but in basic training, because right now we are in the process of training a large number of new deputy U.S. marshals that were authorized by this committee in August and December of this last year.

Mr. SMITH. You mean they had their basic training?

Mr. MORRIS. They are in the process of their basic training. We will be training over 400 this calendar year but that will trail off in 1987.

AIRCRAFT SUPPORT

Mr. SMITH. You are requesting an increase of $800,000 to support this aircraft. You mentioned before how efficient it is. Why are you asking for that kind of an increase?

Mr. MORRIS. Because we couldn't pass up the opportunity to take a four or five million dollar aircraft for nothing from the FAA, we took it and we have been running it basically out of our hide; that is, we have been taking it out of ADP, as Mr. Dwyer says here, and taking it out of other things, in order to run it. But we have not received any funding to run that particular aircraft.

Mr. SMITH. Why did they give you that for nothing? How did they do that?

Mr. MORRIS. How did they do that? I sometimes wish I lived in another department. The FAA was using it for pilot training, for FAA pilots, and they had several, and they decided in their own cost assessments that they didn't need it. Actually Don Engen, the administrator, had called me early on concerned about a hijacking a little over a year ago carried out by an escaped prisoner. It turned out not to be one of ours, but it raised with him the question of how many prisoners we are moving on commercial air. Because even though, as we have talked about handcuffs, even though you have got them handcuffed, the public is not excited about the fact of having murderers and drug dealers and others flying

around with them. They think the prisoners ought to be handled differently.

He was concerned about that, and so when I found out about this aircraft, I called him, and asked was there any way they could turn it over to us rather than turn it back to GSA, and he did that.

IMPACT OF BAIL REFORM

Mr. SMITH. Now, the Bail Reform Act of 1984, what effect has this had on pretrial detainees who are housed in Federal correctional institutions?

Mr. MORRIS. It has had an extraordinary impact. We did, I think, send—probably not for the record—a copy of a report that was completed at the end of last calendar year on what some of the consequences of that act were. Specifically, it increased prisoners in our custody by almost a third. We used to carry around 6,000 and now it is approaching 8,000, almost exclusively because of the bail reform provisions.

People are now being detained who would have in the past been put back out on the street, so that has significantly affected our jail bills, as I mentioned earlier, impacting the Support of Prisoners account. It has also affected prisoner handling, as well as judicial security.

The Machetero hearings in Connecticut, the bond hearing—this is just determining whether these people would receive bond—ran almost a month. All we were able to do in that period was to determine who was going to get bond, what those bond levels were going to be, and that cost us almost a third of a million dollars. All we did was we set bond. We start the trial later this year.

EXCESS PROPERTY

Mr. SMITH. The Federal excess property program is used in negotiating bed space for Federal prisoners in State and local detention facilities, according to your justifications. What role does the Marshals Service play in identifying this excess property?

Mr. MORRIS. We basically have a lot of creative people out there who will work with GSA or DSA and try to identify items that sheriffs around the country would find valuable. A large amount of clothing, for example, excess clothing from military bases, coats, excess medical equipment and the like. The military probably are the best source for that. Sometimes we can get old typewriters, maybe an old manual typewriter that the government doesn't want anymore and they excess them.

Mr. SMITH. How do you use this to reduce your costs?

Mr. MORRIS. Basically, cost is a negotiation. And if you come around and say, by the way, we can give you some clothing, we can give you some of this and that—we try to use that as a stimulus to put pressures to hold down cost, in what in fact is a barter arrangement. The sheriff, as I mentioned earlier, to some extent has got the only jail there, and if he throws us out we are in trouble.

COOPERATIVE AGREEMENT PROGRAM

Mr. SMITH. You are requesting $4 million for the Cooperative Agreement Program. How many projects would be funded in 1987? Where are they located, and how many additional beds will these projects provide for Federal detainees? You can put that in the record.

[The following information was submitted:]

PLANNED CAP PROJECTS

The Service has developed a target list of $40.3 million in CAP projects in approximately 50 cities throughout the nation where Federal detention space is either insufficient or is expected to be insufficient within a few years. To date, long term guaranteed maximum security detention space has been acquired at an average cost of $16,400 per bedspace. Accordingly, approximately 200–250 additional spaces could be acquired with a funding level of $4 million. Final negotiations with target local governments, of course, cannot occur until a funding level is authorized. We prefer not to make announcements of targeted areas of target funding levels because of the requirement to shift our resources to meet emergency needs such as a court or state ordered population ceiling which restricts Federal prisoner incarceration.

AIRCRAFT

Mr. SMITH. We are under time constraints here today.

Do you have anything further?

Mr. EARLY. Regarding this plane. Do we have a crew to run it?

Mr. MORRIS. Yes, we do.

Mr. EARLY. Full-time personnel?

Mr. MORRIS. Yes.

Mr. EARLY. How many?

Mr. MORRIS. We have had six, and the pilots and copilots are all former FAA-registered pilots. Basically, we took their plane and then we stole their pilots.

Mr. EARLY. Why don't you supply for the record what annual cost is for that particular crew.

[The information follows:]

COST OF AIRCRAFT

The Marshals Service B–727 crew consists of the following personnel:
1 Supervisory Command Pilot;
1 Command Pilot;
1 Copilot; and
3 Copilot/flight engineers.
The annual salary cost for these personnel totals $233,217.

FUGITIVE INVESTIGATIONS

Mr. EARLY. Just one final question. I was a little surprised to see your investigatory powers and responsibilities. What do you investigate that the other fellows, like the FBI, and DEA can't investigate?

Mr. MORRIS. I am not sure what you are referring to in terms of investigating.

Mr. EARLY. You had some comments——

Mr. MORRIS. It probably refers to fugitive investigations. That is, investigations not in the case of developing a case for court, but ba-

sically it is the steps, investigative steps necessary to find somebody who has violated parole, escaped or something. We are not involved in the investigation of new crimes. We are involved in investigations necessary to bring people who have committed crimes back to justice.

STATE AND LOCAL ASSISTANCE

Mr. EARLY. A final question. Would there be something, Mr. Morris, that we can work out for security, to contract out with the state police in the effort to move people from the jail to the plane or whatever? Do you do any contracting out with state or local police?

Mr. MORRIS. We do get a lot of assistance from state and local police. We don't contract it. It is usually done on an official sort of cooperative basis.

Mr. EARLY. Will you elaborate on that for the record a little bit; particularly what the costs involved are?

Mr. MORRIS. I will do that.

[The following information was submitted:]

STATE AND LOCAL COOPERATION

The Marshals Service works closely with state and local law enforcement entities to keep them informed of operations within their jurisdictions so that backup assistance will be available when necessary. These short term operations are performed as a professional courtesy without reimbursement. We are also fortunate to have state and local cooperation in providing escorts during the transportation of high profile prisoners.

As you are aware, the Marshals Service must rely on temporary guard personnel to adequately staff dangerous and highly sensitive trials and prisoner movements. Often, off-duty local police entity may be contracted with for long term security as in the Lavasseur or Macheterro trials which involved a continuing requirement for state resources.

Mr. EARLY. Thank you.

Mr. SMITH. Thank you very much, Mr. Morris. We have some additional questions which we shall submit to you and you can answer for the record.

Mr. MORRIS. Thank you, Mr. Chairman.

[The questions and the answers submitted thereto, follow:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

UNITED STATES MARSHALS SERVICE

Salaries and Expenses

Services Available to Protected Witnesses

QUESTION:

The Comprehensive Crime Control Act of 1984 tightened the requirements for admission to the Witness Security Program, but increased the number of services available to protected witnesses by allowing monthly weekend visits by children. On page 13 of the justifications, you state that these visits will substantially increase overtime costs, but that you have not requested increased funding to cover those costs. Why didn't you request an increase for this item, and how are you going to pay for these additional costs?

ANSWER:

The Congress provided $3,000,000 in 1986 to cover child visitation expenses. The exact amount of overtime required to implement weekend child visits has not been been established as we currently do not have historical statistics to support a specific request. Our initial request concerning this subject outlined projected staffing as well as overtime requirements which were authorized by Congressional action this fiscal year.

Providing that the Gramm-Rudman initiative does not distort program requirements, more accurate information will be available at the end of this fiscal year.

QUESTION:

What action have you taken in conjunction with other elements in the Department of Justice to improve the screening of potential candidates for the Witness Protection Program?

ANSWER:

The Witness Security Division conducts personal psychological interviews with prospective program participants who have extensive or violent criminal histories, as well as all prisoner witnesses being released for full program services.

Fugitive Investigations Program

QUESTION:

On page 16 of the justifications, you state that the Fugitive Investigations Program is responsible for, among other things, providing assistance to state and local law enforcement agencies. What is this assistance, how much does it cost, and what are the benefits?

ANSWER:

The Marshals Service routinely provides assistance to State and local law enforcement agencies in the form of shared investigative information. More often than not, federal fugitives - or fugitives from any jurisdiction - present a real threat to local communities. Whatever information that is learned through federal investigations is made available upon request to State and local authorities and greatly aids in the arrest of individuals on the local level. Since fugitive investigations are already being conducted in response to Federal concerns, the additional costs of regular Marshals Service assistance to State and local law enforcement agencies are minimal. On a less routine basis, the Marshals Service conducts Fugitive Investigative Strike Team (FIST) operations designed to clear backlogged fugitive warrants in cooperation with local law enforcement agencies. The first eight FIST operations yielded the arrest of 11,264 felons including 10,260 wanted on State and local warrants. The average cost per arrest was $834.

Judicial Security

QUESTION:

Does the use of Court Security Officers instead of GSA Federal Protective Service Officers in 93 of the 94 judicial districts save the government any money and, if so, how much?

ANSWER:

Although there never has been a direct cost comparison made between Court Security Officers (CSOs) and Federal Protective Service Officers (FPSOs), we believe that the Federal Government benefits more from the use the CSOs.

CSOs are dedicated solely to the protection of the Federal judiciary, while FPSOs work at a variety of duties. Higher standards are required in evaluating the qualifications and experience of candidates for CSO positions. Therefore, the use of CSOs represents the more cost-effective approach in terms of quality of employee and quantity of workyears devoted to judicial protection. Furthermore, the 15 reimbursable civil service positions involved in administering the CSO program today is a fraction of the number of FPSOs and contract guards which GSA provided formerly.

QUESTION:

Who assigns deputy marshals to the courtrooms, who assigns deputy marshals to protective services assignments and who assigns security specialists to provide courts with technical assistance? Are these functions the responsibility of each U.S. Marshal or the Marshals Service's headquarters?

ANSWER:

Deputy U.S. Marshals are assigned to courtroom duty by the respective U.S. Marshal. However, such assignments are based upon policy cri-

teria issued by the Headquarters, specifically, the report of the Attorney General's Task Force Report on Court Security. This report contains specific threat-level criteria to be used in assigning Deputies to courtroom duty. In a Joint Statement to the Judicial Conference, both the Chief Justice and the Attorney General approved the report.

Upon discovery of a threat against a member of the judiciary, the respective U.S. Marshals assigns Deputies to protective service assignments. These assignments may last up to 72 hours while information is gathered and the threat is investigated. After assessment of the threat and the initial 72-hour protective detail, further dedication of Deputy Marshals to a protective assignment requires the approval of Headquarters.

Technical assistance assignments for security specialists are requested by the local U.S. Marshal or District Judge and must be approved by Headquarters. These security specialists, called Court Security Inspectors, are stationed one per judicial circuit and report to the Court Security Division. With so few Inspectors (12) for so many judicial districts (94), their assignments must be centrally controlled.

QUESTION:

Six of the eighteen additional positions are requested for the Marshals Service's Threat Analysis Group. This group provides information concerning threats to the Service's personnel and to individuals under the Service's protection. However, the FBI is immediately notified to make an investigation when a threat emerges. Will the work of the Threat Analysis Group essentially duplicate work already being performed by the FBI?

ANSWER:

While the FBI, DEA, and INS already have intelligence operations and capabilities similar to that of the U.S. Marshals Service, none of those agencies is disposed to performing analysis of a threat, that is, to determining the degree of danger associated with a threat.

It is true that in the case of a threat against a judicial official the FBI is notified because it has the statutory responsibility to investigate the act, which is a crime. The purpose of the FBI's investigation is to provide evidence to support arrest and prosecution.

The Marshals Service's primary objective in connection with threats against the judiciary is to prevent the successful fulfillment of those threats. In this connection, the Threat Analysis Group's intelligence function is Marshals Service specific and is designed to support timely and accurate analysis and assessments which will assure the protection of the officers of the court, the jury, witnessess, Marshals Service personnel, and the physical integrity of the court facilities.

ADP and Telecommunications

QUESTION:

On page 24 of the justifications you are requesting an increase of $1,600,000 to equip new deputies with radios and to accelerate completion of the total radio system which provides digital voice protection capabilities to all operational personnel. Will this amount for completion of the upgraded radio system complete the project and, if not, how much remains to be done?

ANSWER:

Increased funding of $1,600,000 will complete 90% of the base station radio equipment. The total cost for this system has not been developed.

QUESTION:

Will these upgraded radios be compatible with radios of other law enforcement elements in the Department?

ANSWER:

The basic types of radios we use are similar to those used by other law enforcement agencies. However, the Digital Voice Protection (DVP) system used by the Service is not compatible with the Digital Encryption System (DES) used by other agencies. The Marshals Service implemented the DVP system in 1980, two years prior to development of the DES system. The two systems can be made compatible through a plug-in module change.

District Automation Project

QUESTION:

You indicate in the justifications that you expect to have 68 districts automated under the district automation project by 1987. What will this project do and what are its costs and benefits?

ANSWER:

Funding currently available in 1986, permits the Marshals Service to have no more than 30 districts automated by the end of 1987. The automation project is designed to provide computer equipment to all district offices and large sub-offices, supporting automated systems in all major functional areas of the Service. The Prisoner Population Management System and a District Accounting System have been implemented in 11 districts as part of the prototype implementation.

The District Accounting System is a system to support the handling of accounting operations in the district offices. This system was developed under the U.S. Marshals Service District Automation Project to provide automated support for the District and sub-offices. The District Accounting system provides automated assistance for recording accounting information; including checks issued, vouchers paid, advances given, funds received, etc.; providing queries of that information; and producing reports for in-house use or end-of-month close outs.

The Prisoner Population Management System (PPMS) is an automated system which supports the handling of Federal prisoners. This system was developed to provide automated assistance for recording data; tracking prisoner movements and locations; scheduling court and other appearances; and compiling data for reports.

Yearly hardware, communications and software costs for a fully operational District Automation Project is projected to be $1,400,000.

QUESTION:

When will the remaining 26 districts be automated and how much additional funding will be required?

ANSWER:

The remaining 64 districts will be automated as funds and workload allow. The additional funding required is $1.000,000 for completion of the District Automation Project.

Warrant Information Network

QUESTION:

On page 25 of the justifications, you indicate that the Warrant Information Network has been implemented in three large districts. What is this network, what is the cost of the network and will it be expanded to other districts?

ANSWER:

The Warrant Information Network captures fugitive and warrant information and facilitates inter-district and inter-agency information transfers. This supports the Service's investigative responsibilities and provides statistical data to support the fugitive program.

Implementation is in three phases:

Phase I will capture and maintain warrant information and track warrant status; capture and maintain fugitive identification information and track a fugitive's status; interface with National Crime Information Center warrant entry and clear functions; generate statistical reports on warrant and fugitive activities; generate detailed reports on warrant caseload and fugitives, and provide on-line inquiry capability by fugitive name, fugitive number, and warrant number.

Phase II will add in the ability to capture and maintain lookout requests and responses; generate lookout-related messages to International Operations Branch/USMS and El Paso Intelligence Center; generate collateral request-related messages to field offices and Headquarters; capture and maintain INTERPOL requests and responses; generate authorization for informant payment messages to field offices; provide on-line inquiry capability by INTERPOL and informant number; and expand fugitive and warrant inquiry to include related lookout, collateral request, and INTERPOL request information.

Phase III will provide the sophistication needed to make this an investigator's tool by capturing and maintaining investigative infor-

mation; providing cross-referencing indices for investigative information; and providing on-line inquiry capability to search and report investigative information.

The system will be expanded on the same basic schedule as the District Automation Project; that is, we expect to have 30 districts operational by the end of 1987 with the remainder to be automated as funds and workload allow. Currently, eight districts operate on the system. Hardware costs for the system are included in the District Automation Project estimates.

Basic Training

QUESTION:

In 1985 only one advanced training class was scheduled for fugitive investigations. Is one class per year adequate for this function and how many fugitive investigation classes are normally scheduled per year?

ANSWER:

Two classes per year will be adequate. In FY 1987, two fugitive investigation classes are scheduled.

Handling of Federal Prisoners

QUESTION:

You are requesting an increase of 15 positions and $1,373,000 to handle additional prisoner movements that result from Organized Crime Drug Enforcement (OCDE) trials. You state that no specific workload statistics are available concerning OCDE activities because these activities are not necessarily labeled as products of OCDE. How then did you project the OCDE need in the handling of prisoners program?

ANSWER:

The request for 15 additional positions for OCDE prisoner production activities was developed based upon a review of the dramatic increases in U.S Marshals Service prisoner loads being experienced in FY 1985 and 1986. In FY 1986, the Service's average daily population increased 32% and associated operational workyears increased 13% from the 1984 level. The Service has projected that 10% of that increase being generated by OCDE for FY 1987. The 15 additional positions requested however, represent less than a 2% increase of the total number of positions which support agency prisoner receipt and production activities.

Protection of Witnesses

QUESTION:

On page 40 of the justifications, you are requesting a program increase of $1,820,000 to provide for "more complete" implementation of section 3524 of the Comprehensive Crime Control Act to pay participating witness and child's expenses while visiting his non-program parent. What does section 3524 require and will these additional resources permit the Service to fulfill that requirement?

ANSWER:

Section 3524 of the Comprehensive Crime Control Act provides for child visits not to exceed twelve in number for a maximum of thirty days per year, with the Service bearing all related costs to include travel and per diem. The approval of these additional resources will allow for the implementation of these requirements without detracting from other authorized services.

QUESTION:

You are also requesting an increase of $800,000 to build and operate two additional safe sites. How many safe sites do you currently have and why are they not sufficient for your needs?

ANSWER:

The Service currently has in operation three permanent safe site facilities. These existing sites adequately address the needs of the judical districts in which they are located, however, they are of little benefit to the remaining districts requiring production of high numbers of prisoners. Safe sites have proven to be the most cost effective and safest means of protecting government witnesses required to return to the "Danger Area" for testimony.

The Service has identified three additional cities that have historically been the site of high volume prisoner productions. The completion of facilities at two of these locations during FY 1987 will greatly enhance the overall effectiveness of the Service.

Management and Administration

QUESTION:

You indicate in the jusitifications that the general services support program will monitor 96 major GSA construction projects. What is the nature of this monitoring and how do the projects relate to the Marshals Service?

ANSWER:

U.S. Marshals Service is included in over 96 major renovation or new construction projects which are funded by either USMS, GSA or Administrative Office of the U.S. Courts (AOUSC). The Space and Facilities Branch of USMS provides architectural design services for all USMS projects. The services include preliminary design, preparation of construction details and specifications for detention cells, interview rooms, vaults, security equipment, etc. Also included are participation in site selection, review of plans and specifications and on-site inspections to insure materials and workmanship comply with specifications. The branch also participates in planning sessions with AOUSC and GSA to determine long-range requirements for selected sites.

The Telecommunications Branch plans and coordinates installation of new telephone and teletype systems in all renovation and new construction projects.

The Security Section specifies detention locks, closed circuit televisions, and monitors for detention area security. Included are alarms and anti-intrusion devices for USMS vaults and witness security offices.

SUPPORT OF UNITED STATES PRISONERS

Negotiating Bed Space for Federal Prisoners

QUESTION:

On page 11 of the justifications, you state that the Federal Excess Property Program is used in negotiating bed space for Federal prisoners in State and local detention facilities. Does the property include facilities and land?

ANSWER:

The Federal Excess Property (FEP) Program provides only personal property such as consumable furniture and equipment (i.e. medical, food services, security, recreation, etc.) to contract jails to help them improve their level of inmate services. To date, the majority (71%) of all the personal property provided to state and local jails which house Federal prisoners consists of consumable items (i.e. inmate clothing, bedding, supplies, etc.).

QUESTION:

Are there federal facilities or lands which have not been declared excess but which the Marshals Service believes are not being used by the owning agency and are suitable for detention use?

ANSWER:

Due to the fact that the Marshals Service's FEP Program includes only personal rather than real property (land), no such survey has been conducted.

Cooperative Agreement Program

QUESTION:

How many additional projects would you expect to fund with the $4,000,000 requested for 1987 and how many additional beds would these projects provide?

ANSWER:

The Service has developed a target list of $40.3 million in CAP projects in approximately 50 sites throughout the nation where federal detention space either is insufficient or is expected to be insufficient within a few years. To date, long-term guaranteed maximum security detention space has been acquired at an average cost of $16,400 per bedspace. Accordingly, we could fund eight projects with the $4 million authorized in 1987, obtaining approximately 200 to 250 additional spaces.

QUESTION:

I understand that the Marshals Service has in excess of 2,000 prisoners in facilities of the Federal prison system. How much would it cost to house those prisoners in state and local jails if we provided that space under the CAP program? What would be the cost per prisoner and how would that cost compare with the cost of housing such prisoners in the Federal Prison System?

ANSWER:

The Service currently houses approximately 2,500 prisoners a day in federal institutions and it is estimated we will generate a total of 943,000 federal inmate days in FY 1986. Based upon the FY 1986 state and local day rate of $36.83 in the FY 1987 Budget submission, it would cost $34.7 million a year in housing costs alone to house these prisoners in contract jail space. However, due to the wider range of prisoner support services required for sentenced prisoners in 1985, the cost to house a prisoner in a federal institution was estimated to be $2.44 more a day than the average jail day rate paid to contract jails.

ASSETS FORFEITURE FUND

QUESTION:

Please review the operation of the Assets Forfeiture Fund during the first year. What were the problems, what were the successes, and were the payments into the fund, as well as the expenses, within your projections?

ANSWER:

The Assets Forfeiture Fund became operational in August 1985, as a result of the Supplemental Appropriation Act of 1985 (P.L. 99-88). In FY 1985, income to the Fund amounted to nearly $27 million with obligations being only approximately $2 million. The net result was, that after only two months of operation, approximately $20 million was transferred to the U.S. Treasury, with $5 million carried over to FY 1986.

During the past year, seizures have included a professional recording studio in California; a foundry in Wisconsin; drug stores in Michigan; a combination garden shop, plant nursery, and florist operation in Massachusetts; and a condominium development in Atlanta (recently sold for a profit of over $1 million). Directly related to the complexity of such seizures are the significant expenses associated with managing a diverse group of operating businesses. To support the associated increase in the volume and complexity of the assets subject to forfeiture, the Marshals Service has established the National Asset Seizure and Forfeiture (NASAF) program which is promoting increased uniformity, management control, and sound business practices in the seizure and forfeiture of assets.

Overall, problems encountered in the first months of operation have been minimal. District office difficulties in handling a new and somewhat unique funding source were reduced by the issuance of a new section of the USMS Manual which deals with the changes to normal accounting and financial management operations. This section of the Marshals Service Manual was issued immediately upon creation of the Fund.

Problems were also encountered when seizures were made without proper planning. This included not performing a title search prior to seizure, or not adequately assessing a property's location in terms of resale value, which sometimes resulted in less than adequate returns on investment. This area of concern is being addressed through coordination among DEA, INS, FBI, and other seizing agencies and the NASAF staff at USMS headquarters and in the field. NASAF staffs will provide technical advice and assistance to the Marshals in an area which requires the special expertise for which the NASAF staff has been specifically trained.

Thus, we believe that after the first few months of operation, we have been able to correct most of the problems. Successes, on the other hand, more than outweigh the difficulties. The number and value of assets on-hand, and property actually forfeited resulted in increased receipts into the Fund. In addition, the Fund allows seizing agencies a mechanism to use the criminals' money to the government 's benefit. No longer are seizing agencies required to use their appropriations to handle this activity. Both the payments and expenditures from the Fund are still difficult to project with any degree of certainty, as we have less than one full year of operation. We are certain, however, that the effects of this Fund will be beneficial to the government and that gains in terms of additional income to the Treasury will more than outweigh needs in terms of expenditures.

QUESTION:

You are requesting an increase of $5,000,000 for the Fund for FY 1987. What is the basis for this increase - new seized assets or increased management costs?

ANSWER:

Increased asset seizure and forfeiture activity must be matched by a corresponding increase in authority to make related payments from the Assets Forfeiture Fund. Further, the level of certain payments from the Fund was underestimated when original estimates of expenditures were developed--namely, disbursements related to (1) "equitable sharing" decisions, and (2) the payment of liens and other amounts in remission and mitigation of forfeitures.

Payments to innocent lienholders and to state and local law enforcement agencies that participated in actions leading to a forfeiture represent non-discretionary payments that could as easily be deducted from gross proceeds realized from forfeiture prior to deposit to the Fund. Instead, gross proceeds are deposited to the Fund and amounts then disbursed. The amount of these payments is difficult to predict but, as a rule, the level of these payments will increase as the number of seizures increases (especially seizures of real property and other high-value properties).

QUESTION:

A 1983 Justice Department study concluded that the Marshals Service was not prepared to manage seized and forfeited assets efficiently and effectively. What action has been taken or is planned to correct this problem?

ANSWER:

The May 1983 Department of Justice study entitled "Asset Seizures and Forfeitures: A Joint Study Team's Perspective on the Problems" concluded that fragmentation and confusion about custodial responsibilities among departmental agencies, a general lack of expertise in caring for seized property, and the absence of a suitable funding mechanism to pay expenses related to the management and maintenance of property seized for forfeiture were at the root of the Department's problems.

One of the first results of the study was the negotiation of a memorandum of understanding (MOU) among Justice Department agencies, which outlined and assigned major responsibilities related to asset seizures and forfeitures. Responsibility for custodial management and disposal of assets was assigned to the Marshals Service.

Under the authority of the MOU, the Marshals Service has been developing and implementing a centralized program--the National Asset Seizure and Forfeiture (NASAF) program--to carry out responsibilities related to the custody, care, and disposal of property seized for forfeiture. Eventually, all forfeited property not intended for official use by the Department of Justice investigating agency will be managed and disposed of by the Marshals Service.

NASAF staff have been hired and are located at U.S. Marshals Service Headquarters in McLean, Virginia, and in 14 field offices throughout the United States. NASAF staff provide technical assistance and advice to U.S. Marshals in carrying out their responsibilities, but, as a rule, have no supervisory or operational role in executing seizures or managing and disposing of forfeited property. Further, NASAF works with districts to identify training and staffing needs related to general responsibilities of all districts as well as the unique needs of the district.

NASAF staff have received training in property management and disposal, especially real property. Upon creation of the Assets Forfeiture Fund, a new section of the Marshals Service Manual outlining the financial management of and accounting for the Fund was issued. The Seized Asset Management Handbook, designed to aid in the management and disposal of property seized for forfeiture, has been written and is in the process of being distributed to all Department agencies having asset seizure responsibilities. The NASAF automated management information system is operating, providing useful and timely information about the volume, type, and value of property seized, as well as pinpointing areas where better information or procedures are needed.

WITNESSES

	Page
Abell, Richard B	321
Arnold, Malcolm E	485
Baer, Benjamin F	1187
Bayse, William A	124
Brown, Raymond C	1031
Carlson, Norman A	1031
Clark, Elizabeth A	1187
Daniels, Anthony E	124
Davis, Lawrence G	1329
Farkas, Gerald M	1031
Ferguson, Thomas C	485
Ford, Robert N	407, 461, 988
Futey, Bohdan A	461
Ginsburg, Douglas H	988
Herrington, Lois Haight	321
Hogan, James J	1329
Houk, Wade B	1031
Hughes, Thomas A	124
Jensen, D. Lowell	663
Justus, Ralph J	988
Lawn, John C	1329
Leonard, Hugh M	947
Levine, Bertram	407
Mead, Gary	1471
Meeks, H. Dale	407
Meese, Edwin, III	1
Meissner, Doris M	485
Mintz, John A	124
Morris, Stanely E	1471
Mueller, Donald R	485
Murray, John	485
Nelson, Alan C	485
Pompa, Gilbert G	407
Quinn, Donald P	1329
Regnery, Alfred S	321
Rensch, Luman N., Jr	1031
Rogers, David H	461
Safir, Howard	1471
Schlesinger, Steven R	321
Shealey, James A	1471
Speirs, Verne L	321
Stanton, Thomas J	947
Stewart, James K	321

	Page
Sweda, David J	1031
Trincellito, Joseph	1329
Vander-Staay, Allen J	321
Vines, Mack M	321
Wallace, W. Lawrence	1, 124, 321, 485, 1031, 1185, 1187, 1219, 1307, 1329, 1471
Warfield, Wallace P	407
Webster, William H	124
Westrate, David L	1329
William, James K	1329

INDEX

Page

Attorney General 1
- Affirmative action policy 115
- Antitrust:
  - Food manufacturing industry 82
  - Interstate Commerce Commission, Proposed transfer 57
  - Reform legislation 78, 11
  - Vertical restraint guidelines 81
- Artificial intelligence 54, 117
- Automation requests 54, 56, 92
- Budget Summary 2
- Command Center, Construction of 87
- Committee business, Vote to close hearings 71
- Deficit reduction actions 53, 57, 58, 71
- Department Leadership 89
- Drug Enforcement:
  - DEA 53, 54, 108
  - Mexico 112
  - Organized Crime Drug Enforcement 54
  - Other requests 54
  - President's Commission on Organized Crime 54, 57
  - Southern border 72
  - War on drugs 53, 116
- Federal Bureau of Investigation:
  - Artificial intelligence 54, 117
  - Automation enhancements 54
  - Foreign counterintelligence 54, 75
  - Support services 55
  - Training, Merger with DEA 107
  - Voice Privacy 54
- Federal Prison System:
  - Construction costs 83
  - Construction sites 55
  - Increases 55, 75
  - Population 55, 119
- General statement 53, 60
- Gun control, Position on bill 94
- Gramm-Rudman-Hollings reductions 58, 71, 75, 120
- Illegal Aliens, Flow of 73
- Immigration and Naturalization Service:
  - ADP contract 89
  - Systematic Alien Verification for Entitlement (SAVE) System 56, 74
  - Privitization, vehicle maintenance 73
  - Reform legislation 73

Page

Attorney General—Continued
Justice Programs, Office of:
Crime Victims Fund 58, 114
Juvenile Justice 86, 99, 103, 108
Rescissions 57, 73, 107
State and local assistance grants 73
Uniform Crime Report 50
Litigation requests, civil 56
Mariel Cuban detainees 57, 85
Parolees, Drug testing of 105
Philippine assets 98
Privitization 99
Questions for the record 106
Rescissions 57, 73, 85, 86, 107
Seized assets:
Assets Forfeiture Fund 81
Funding of program 81
Maintenance of 80
Management of 78
Value of 79
State and local law enforcement:
Relationship with 100, 101, 117
Training reduction 57, 77, 101
U.S. Attorneys:
Increases 53, 57
Effort, Value of 87
Fiscal responsibility of 76
U.S. Marshals Service:
Assets Forfeiture Fund 81, 114
Request 54, 55
Extremist groups, efforts against 113
U.S. Trustees 57, 74, 106
Voice privacy, Equipment for 54
Witness protection 99

Antitrust Division 987
Antitrust laws 1028
Biography, Douglas H. Ginsburg 1024
Budget request 987, 1024
Corporate mergers 1028, 1029
Enforcement policy guidelines 1029
Foreign trade deficit 1028
General statement 1024
Gramm-Rudman-Hollings reductions, Effects of 1025, 1026
Industries affected by legislative proposal 1028, 1029
Interstate Commerce Commission transfer:
Cost savings 1026
Functions and resources 1024, 1026, 1027
Justifications 988
Legislative proposals 1028
Resale price maintenance cases 1029
Tax laws 1028
Workload 1027

Page

Community Relation Service 407
Balanced Budget and Emergency Deficit Control Act of 1985 441
Conflict resolution:
Cities receiving assistance 447
Group conflicts 440
Municipal liability 448
Training police 448, 450
Cuban-Haitian Entrants:
Arguments for release 446
Entrant repatriation agreement 440
Haitian exchange 455
In state and local jails 444
Justification 460
Number detained rising 444
Outplacement acitivities 460
Program entrants 442
Public Health Service 439
Reception, processing and care 459
Violence in Alabama prison 445
Education program 457
General statement 439
Hate groups/Radical organizations:
Rajneeshees 439, 455
Ku Klux Klan 439, 455
Immigration reform legislation 457
Jurisdictions working to defuse tension 451
Justifications 408
New Jersey detainees 443
Police training 450
Public Health Service 439
Questions for the record 457
Workload impact, Illegal immigration 459

Drug Enforcement Administration 1329
ADP and telecommunications 1448, 1462, 1464
Budget request 1329, 1426
Clandestine drug laboratories 1457
Cocaine special enforcement operations 1456
Comprehensive Crime Control Act of 1984 1433
Cooperation:
DEA 1435
DEA/FBI 1432, 1439, 1448
International 1429, 1430, 1440
U.S. Attorneys 1438
Designer drugs/controlled substances analog 1453
Distributors of narcotics 1452, 1467
Diversion grant funding:
Allocation of resources 1450, 1451
Comparison with Task Force efforts 1450
Domestic enforcement 1432, 1467
Drug abuse:
Increase of 1440
Relation to general crimes 1454

Page

Drug Enforcement Administration—Continued
Drug abuse prevention and education:
Coaches program ... 1425, 1437
Drug awareness programs, NIH ... 1438
Need for ... 1434, 1437, 1440
Sports Drug Awareness Program ... 1425, 1437
Drug enforcement initiative, 1985 ... 1455
Drug reduction:
Demand ... 1425
Supply ... 1425
Drug trafficking through Mexico ... 1442, 1455
Federal Bureau of Investigation:
Academy ... 1439
Secure Center ... 1449
Federal drug strategy ... 1424, 1428
Foreign allowances and administrative support overseas ... 1466
General statement ... 1424, 1426
Gramm-Rudman-Hollings ... 1435, 1441, 1451
Impact of dollar devaluation overseas ... 1449
Intelligence program ... 1448, 1458
International operations ... 1439
Investigative equipment purchase ... 1463
Justifications ... 1330
Laboratory services ... 1459
Marijuana problem ... 1437
Organized Crime Drug Enforcement Task Force ... 1448, 1460
Operation Chemical Control (ChemCon) ... 1431
Operations:
Field ... 1466
Technical ... 1461
Organized crime drug trafficking ... 1451
Organized task forces ... 1448
Prescription drugs, off-the-shelf purchase of ... 1442
President's Commission on Organized Crime ... 1452
President's National Strategy for the Prevention of Drug Abuse and Drug Trafficking ... 1425, 1429, 1432
Questions for the record ... 1455
Reprogrammings ... 1441, 1451
State and local:
Task forces ... 1433, 1444, 1450, 1458
Training reduction ... 1444
State Department, Office of International Narcotics Matters ... 1439
TEMPEST ... 1448, 1464
Value of narcotics ... 1440

Federal Bureau of Investigation ... 123
ADP ... 266, 298, 302, 311
Agents, current number ... 270, 286
Aircraft ... 307, 308
Artificial intelligence ... 261, 297, 298

Page

Federal Bureau of Investigation—Continued
Audits, field ... 317
Authorization Bill ... 273, 274, 285, 286, 292
Automobiles, costs for ... 302, 303
Budget request ... 123, 259, 263
Computer equipment, INS ... 292, 293
Construction ... 303, 304
Consulting services ... 304
Drugs:
Education by private sector ... 282
Enforcement ... 275, 310
Foreign suppliers ... 281
Health hazard ... 277
Military and FBI assistance ... 276
Nauseous agents, Application of ... 278
Overseas efforts ... 277
Reducing demand for ... 276
Test for ... 290
Transit nations, Users of ... 282
Exclusionary rule ... 280, 281
Fingerprint identification ... 261, 267
General statement ... 259, 263, 268
Gramm-Rudman-Hollings, effects of ... 269, 274, 305
GSA rent ... 300
Illegal immigrants ... 278
Immunity, granting of ... 290, 291
Justifications ... 124
Lavasseur, Raymond ... 272
Lepere, Frank James ... 272
Management initiatives, Savings from ... 294
Manning, Thomas William ... 272
National Academy, State and local training ... 270, 284, 285
New York field office ... 261, 267, 301
Overtime:
Administratively uncontrollable ... 274, 275
Elimination of to state and local police ... 269
Polygraph examinations ... 279, 280
Practical Problems Training Complex ... 299, 300
Questions for the record ... 294
Reimbursements:
Audio processing ... 314
Fingerprint cards ... 316
Forensic services ... 314, 315
Retirement, agents ... 275
Special Operations Group ... 309
Support positions ... 259, 263, 294, 297, 305
Technical field support ... 313
Terrorism ... 269, 271, 272, 273
Voice privacy radio system ... 260, 265, 279, 283, 284

Federal Prison System ... 1031
ADP systems ... 1174
Appropriation bill, 1986 ... 1182
Collection and dissemination of information ... 1184

Page

Federal Prison System—Continued
Contract confinement program 1172
Correction officers:
Additional 1163
Effect of sequestration 1167
Officer/prisoner ratio 1171
Shortage of 1170
District of Columbia:
Corrections 1180
Costs associated with prisoners 1180
Reimbursement for 1180
Violators 1164
Disturbances at federal prisons 1181
Education/vocational program:
Number enrolled in 1173
Release based on 1173
Existing facilities:
Capacity expansion 1170
Renovation/repair of 1176
Expansion program 1149
Federal Prison Industries:
Competition with private sector 1179
Earnings usage 1165, 1184
UNICOR assembly of military connector 1177
General statement 1148, 1151
Gramm-Rudman-Hollings reductions:
Effects of 1148, 1161, 1162
Requirement of 1163
Savings associated with 1168
Illegal aliens, Construction of facility for 1176
Inmates and AIDS 1181
Justifications 1032
Mariel Cuban detainees 1165
National Institute of Corrections 1176
New facilities:
Activation of 1169
Construction of 1170, 1174
Guards at 1171
Population:
Increase 1148
Projections 1168
Questions for the record 1182
Reprogramming request, 1986 1162
Rescission proposal 1182
State and local training, Reduction for 1182
State staffing 1172
Summary of requests 1149
Supplemental request, 1986 ..... 1149, 1161, 1166
Surplus facilities:
Acquisition of 1166
Fort Dix, New Jersey 1166
Identification of 1175
Legislative authority 1175
Uniform allowance 1168

Page

Fees and Expenses of Witnesses 1307
Expert witnesses:
Fees recouped 1325
Guidelines for 1324
Increase of 1322, 1327
Funds:
Carryover of 1324
Improved management of 1323
General statement 1322
Gramm-Rudman-Hollings reductions 1323
Justifications 1308
Questions for the record 1326
Witnesses, Protection of:
Safesites Facilities 1326
Transfer to U.S. Marshals 1323, 1326

Foreign Claims Settlement Commission 461
Biography, Bohdan A. Futey 477
Budget request 461, 477
Claims against:
East Germany 478
Ethiopia 477, 479, 480, 482, 483
Iran 479
General statement 477
GSA rent 480, 481
Justifications 462
Operating expenses, Offset for 478, 479, 483
Prisoner of War benefits 479
Questions for the record 482
Reduced workforce, Resources to handle 482, 483

General Administration 1219
Accomplishments 1268
ADP plan, Long range 1276
Authorization bill & amounts 1271, 1272
Balanced Budget and Emergency Deficit Control Act of 1985 ..... 1269, 1270, 1271
Budget request 1219
Contracted-out services 1274
Department overview 1296
Departmental case management system 1273
Financial and Administrative Management Information System 1274, 1276
Federal Prison System 1270
Fraud, waste and abuse 1295
General statement 1268
Immigration Judge review 1295
Justifications 1220
Increases 1269
Management savings 1272
Oakdale Detention Center 1269
Questions for the record 1296

General Legal Activities 663
Additional positions, Tax division 939

Page

General Legal Activities—Continued
Budget requests:
Civil Division 918, 942
Criminal Division 917
Land and Natural Resources Division 918, 942
Tax Division 917
Total 663, 917
U.S. Attorneys 919
Case management systems 944
Civil claims 941
Drug initiatives, New positions 938
Furloughs 934
General statement 917
Gramm-Rudman-Hollings reductions, Impact of 929, 931
Judgeships, Additional 937, 939
Justifications 664
Legal Office Automation Fund 918, 943
Litigation:
Commercial 941
Defensive environment 942
Expense of 928
Prosecutions, Dangerous drugs 940
Reprogrammings 934, 936
Settlement of cases 928
Revenues generated, Tax Division 939
U.S. Attorneys:
Consolidation of activity 919, 934
Hiring of 929, 930, 936
Voting Rights Acts 942

Immigration and Naturalization Service 485
Adjudications and naturalization 566, 577, 622
Airlines, inadmissable aliens detained by 617
Anti-smuggling activities 572, 654
Apprehensions 618, 653
Bhagwan Rajneesh investigation 565
Border enforcement 564, 571, 619, 643
Computer system procurement 588, 655
Data center usage 589
Detention and deportation 565, 576, 582, 641, 652
Debt collection 583, 623, 643
Drug interdiction 585
Fees 626
GAO audit on computer system procurement 599, 607, 655
General statement 563, 569
Gramm-Rudman-Hollings 582
Immigration reform legislation 621
Information systems 566, 578
Inspections program 563, 570 583
Interior enforcement 565, 574
Justifications 486
Legal proceedings program 567, 580
Mariel Cubans 586
Naturalization 639, 645

Page

Immigration and Naturalization Service—Continued
Non-immigrant information system 567
North, David study on naturalization increases 640
Northern regional office, Closing of 617
Oakdale facility 651
Question of the record 641
SAVE program 565, 569, 639, 644
Southern border 584, 618
Training costs 644
Uniform allowance 618
Vehicles 620
Vehicle seizure program 563, 582, 583

Office of Justice Programs 321
Budget request 376
Center for Judicial Studies Project 384
Criminal Justice Statistical Programs 376, 387, 399
Emergency law enforcement assistance 401
Formula grant programs 391
General statement 376
Gramm-Rudman-Hollings, Impact of 380
Justifications 322
Juvenile Justice:
Awards, Criteria for making 383
Carryover balances from 1985 382
Program 377, 379
Law Enforcement Assistance Administration 378, 387, 390
Law Enforcement Coordinating Committees 388
Legal Services Corporation 384
Management and administration 379, 401
Mariel Cubans:
1986 appropriation 379
In federal prisons 382, 393
In state prisons 393, 398, 404
Responsibility for 382
Missing children 383, 384, 394
National Center for Missing and Exploited Children 385
National Institute of Justice 377
Office of Juvenile Justice and Delinquency Prevention 378, 382
Questions for the record 398
Reduction in force, potential 393
Regional Information Sharing System 378, 387, 389
Rescissions, proposed 378, 381, 390
State and local assistance 377, 379, 381, 386
Uniform Crime Reporting (UCR) Program 376, 386, 399
Victims of Crime Fund 379, 394, 403
Visitation of program sites 390
Washington Post articles 383, 384

Oversight of Bankruptcy Cases 947
Administrative support services agreement with Justice Management Division 978, 981, 984
Associate Counsel, Office of 981, 985
Consolidation of field offices 978, 981, 983

Page

Oversight of Bankruptcy Cases—Continued
Expansion:
Nationwide ... 979
Sixth Circuit ... 978, 980
General statement ... 978, 980
Gramm-Rudman-Hollings ... 983
Justifications ... 948
Legislation, pending ... 983
Management initiatives ... 978, 980
Request to Department and to the Office of Management and Budget ... 986
Training ... 984
Workload increases, Chapter 7 and Chapter 11 cases ... 985

U.S. Marshals Service ... 1471
Aircraft ... 1549, 1562, 1573
Assets Forfeiture Fund ... 1537, 1551, 1560, 1565, 1567, 1585
Automation ... 1571, 1580
Bail reform ... 1574
Cooperative agreement program ... 1575, 1584
Excess property ... 1574
Extraditions ... 1550
Fugitive investigations ... 1550, 1555, 1575, 1577
General statement ... 1548, 1552
Gramm-Rudman-Hollings ... 1563
Handcuffs ... 1562
Handling of prisoners ... 1544, 1549, 1562, 1582
Judicial security ... 1548, 1553, 1564, 1566, 1567, 1572, 1578
Justifications:
Assets Forfeiture Fund ... 1537
Support of Prisoners ... 1524
U.S. Marshals Service ... 1472
Management and administration ... 1558, 1583
Organized crime ... 1558, 1563
Protected witnesses ... 1550, 1555, 1577, 1582
Questions for the record ... 1577
Recruitment ... 1566
Seized assets:
Forfeitures, and ... 1551, 1560, 1565, 1567
Disposal and liquidation of ... 1567, 1570
Seized property:
Protected witnesses, of ... 1568
Real estate ... 1570
Value of ... 1569
State and local assistance ... 1576
Support of Prisoners ... 1524, 1560, 1584
Telecommunications ... 1580
Threat analysis ... 1549
Training ... 1566, 1573, 1582
Transportation of prisoners ... 1562
Warrant information network ... 1581
Witness protection ... 1555, 1577, 1580, 1582

U.S. Parole Commission ... 1187

Page

U.S. Parole Commission—Continued

Appeal:
- Backlog 1206
- Decisions 1207
- Regional 1217

Community treatment centers 1215
Crime Control Act of 1984 1208
D.C. Commitments 1210
Developing employment sites 1214
Employment data, clarification of 1206
GSA rent increases 1210
General statement 1204
Gramm-Rudman-Hollings reductions 1204, 1208
Justifications 1188
Office of Management and Budget request, 1987 1208
Parole hearings, Entitlements to 1207
Questions for the record 1216
Reimbursable agreements 1209
Release:
- Eligibility 1214
- Prisoners 1205

Reparative work program 1210
Reprogramming 1205
Research budget 1216
Sentence reduction 1207
Supplemental Appropriations, 1986 1205
Vacancies:
- Impact of long-term 1209
- Number of 1208, 1209

Workload statistics 1206

○